

INDIAN TARIFF BOARD

Written and Oral Evidence

recorded during enquiry on the

**PAPER AND PAPER PULP
INDUSTRIES**

Volume II



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1. No. 202-T. (1)/36.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

New Delhi, the 11th December, 1937.

RESOLUTION.

TARIFFS.

The protection afforded to the Paper and Paper Pulp Industries by the Bamboo Paper Industry (Protection) Act, 1932, will determine on the 31st March, 1939. A subsidiary enquiry into the question of classification of paper for tariff purposes was held by the Tariff Board in 1935 and, the action taken upon the Board's recommendations having resulted in a not inconsiderable extension of the range of protection previously enjoyed by the Indian paper making industry, the Government of India decided to review the necessity or desirability of maintaining the extra measure of protection which was fortuitously afforded by the imposition of the revenue surcharge of 25 per cent. in 1931. This matter has accordingly been enquired into departmentally, but, owing to the complicated nature of the data to be examined and in view of the imminence of this further enquiry by the Tariff Board into the whole question of protection to the Industry, the Government of India have taken no action in regard to the surcharge.

2. The Tariff Board is now requested to re-examine the question of the protection enjoyed by the paper and paper pulp industries in India and to report what protective measures (if any) should be continued after the 31st March, 1939.

3. If the Tariff Board is satisfied during the course of its investigations that the revenue surcharge on the paper protective duties is no longer justifiable it will be at liberty to make its recommendations in this behalf in advance of its main report.

4. In making its recommendations the Tariff Board will take all relevant considerations into account including those stated in parts (b) and (c) of the Resolution adopted by the Legislative Assembly on the 16th February, 1923.

5. Firms or persons interested in the paper making industry or in industries dependent on the use of paper who desire that their views should be considered by the Tariff Board should address their representations to the Secretary to the Board.

2. Press Communiqué issued by the Tariff Board on the 23rd December, 1937.

The Tariff Board has been requested by the Government of India to re-examine the question of the protection enjoyed by the Paper and Paper Pulp Industries in India and to report what protective measures (if any) should be continued after the 31st March, 1939. The terms of the resolution No. 202-T. (1)/36, dated the 11th December, 1937, are as follows:—

“ The protection afforded to the Paper and Paper Pulp Industries by the Bamboo Paper Industry (Protection) Act, 1932, will determine on the 31st March, 1939. A subsidiary enquiry into the question of Classification of paper for tariff purposes was held by the Tariff Board in 1935, and the action taken upon the Board's recommendations having resulted in a not inconsiderable extension of the range of protection previously enjoyed by the Indian paper making industry, the Government of India decided to review the necessity or desirability of maintaining the extra measure of protection which was fortuitously afforded by the imposition of the revenue surcharge of 25 per cent. in 1931. This matter has accordingly been enquired into departmentally, but, owing to the complicated nature of the data to be examined and in view of the imminence of this further inquiry by the Tariff Board into the whole question of protection to the Industry, the Government of India have taken no action in regard to the surcharge.

2. The Tariff Board is now requested to re-examine the question of the protection enjoyed by the Paper and Paper Pulp Industries in India and to report what protective measures (if any) should be continued after the 31st March, 1939.

3. If the Tariff Board is satisfied during the course of its investigations that the revenue surcharge on the paper protective duties is no longer justifiable it will be at liberty to make its recommendations in this behalf in advance of its main report.

4. In making its recommendations the Tariff Board will take all relevant considerations into account including those stated in parts (b) and (c) of the Resolution adopted by the Legislative Assembly on the 16th February, 1923.

5. Firms or persons interested in the paper making industry or in industries dependent on the use of paper who desire that their views should be considered by the Tariff Board should address their representations to the Secretary to the Board.”

2. Firms or persons interested in the Enquiry should submit written representations (with 4 spare copies) embodying such views as they wish the Board to take into consideration not later than the 25th January, 1938, to the Secretary, Tariff Board, No. 1, Council House Street, Calcutta.

3. Questionnaires issued by the Tariff Board.

(1) Questionnaire for manufacturers.

I. Please state—

- (a) whether your concern is a public or private registered or un-registered firm;
- (b) if registered, whether it is registered in India or abroad and whether the capital is rupee or sterling capital;
- (c) the proportion of Indian shareholders in the Company and the shares held by Indians;
- (d) the extent to which Indians are represented on the Directorate and in the superior management of the Company.

Please specify the changes, if any, which have occurred in this respect since 1931-32:

2. What is the total capacity of your mills as at present equipped for the manufacture of (a) pulp and (b) paper?

3. What has been the actual output of the mills for each year since 1931-32 of (a) pulp and (b) paper?

4. Enumerate the chief classes of paper manufactured in your mills. What is the average percentage of the total output which each represents? Are there possibilities of manufacturing any other classes of paper?

5. What has been your annual consumption since 1931-32 of each of the primary materials? Please fill up Form I.

6. What is your estimate, according to recent experience, of the quantity of each of the primary materials required for one ton of (a) pulp and (b) paper?

7. What is your opinion on the availability of bamboo, grass and other indigenous materials and their suitability for the manufacture of paper?

8. Has there been any substantial change since 1931-32 as regards (a) the sources from which your primary materials are drawn, (b) the methods of collection and transport and (c) the terms of your concessions?

9. Please give for each year since 1931-32 the cost per ton delivered at the mill of bamboo and grass under the following heads:—

- (a) Cutting, carting and baling;
- (b) Railway freight;
- (c) Rent or royalty;
- (d) Other charges.

10. Have the present rates of railway freight on coal, bamboo, grass and other materials caused any special hardship to the industry? If so, please give particulars and state whether you have taken any action in the matter.

11. Please state the process of manufacture of pulp from—

- (a) bamboo,
- (b) grass,
- (c) other indigenous materials.

Please fill up Forms II and III. In regard to bamboo, please state—

- (a) whether the acid or the alkali process is more suitable;
- (b) the total capacity of the mill for the production of bamboo pulp;
- (c) the total output of bamboo pulp for each year since 1931-32:

(d) modification in plant and machinery undertaken since 1931-32 or proposed:

(e) the total expenditure incurred on modifications:

(f) the provision for increased supplies of raw bamboo:

(g) the cost at which bamboo can be delivered at the mill:

(h) the extent to which coal consumption can be reduced:

(i) the extent to which the cost of chemicals can be reduced:

(j) the possibility of improving the quality of paper produced.

12. Please give a statement for each year since 1931-32 showing—

(a) the quantity of each kind of foreign pulp imported by you:

(b) the countries from which imported:

(c) the port of importation:

(d) f.o.b. price per ton of each kind:

(e) freight, insurance, etc.:

(f) landing charges, etc.:

(g) transport charges to mill.

N.B.—If f.o.b. prices cannot be given, please give c.i.f. prices.

13. The Tariff Board in their last enquiry found that a small quantity of imported pulp was indispensable to the industry for some classes of paper. Please state the minimum quantity of imported pulp required in your mill for each class of paper and the purpose for which you need it.

14. What classes of paper are manufactured without the admixture of imported pulp and how do they compare with imported paper of similar qualities?

15. To what causes are variations in the price of wood pulp due? What do you estimate to be the probable trend of prices during the next few years?

16. Please give a brief account of the progress made by you since 1931-32 in the manufacture of paper from indigenous materials other than bamboo, specially in regard to quality.

17. Please fill up Form IV relating to auxiliary materials. According to your present practice what is the quantity of each of the auxiliary materials required per ton of finished paper?

18. As compared with the position in 1931-32, are the auxiliary materials more readily available in India at present? How does the quality and price compare with imported materials?

19. Please state what auxiliary materials can be recovered in the process of manufacture and what the percentage of recovery is, e.g., Soda. What improvements have you effected in recovery since 1931-32?

20. Please estimate the labour force employed in the extraction and collection of primary materials during the past six years.

21. Please give the details of the labour employed in your mill and the salaries paid during the past six years.

22. What progress has been made since 1931-32 in the substitution of Indian for imported labour and in the facilities given to Indian workmen to acquire training in skilled work? Please state how many apprentices you have employed.

23. What arrangements have you made for housing your labour? Please state what steps you have taken for promoting its welfare in other directions such as improved water supply, medical attendance, education, recreation.

24. Please state fully the changes, if any, which have occurred since the last Tariff Board enquiry in the arrangements for the supply of power in your mills, especially as regards (a) power, (b) cost and (c) consumption per unit of finished paper.

25. What do you estimate to be at present—

(1) the total Indian production of paper:

(2) the total Indian demand for—

(a) protected papers,

(b) unprotected papers.

26. Are there any possibilities of developing a market for Indian made pulp for paper or other purposes (a) in India and (b) abroad? What are the possibilities of establishing pulp mills? What are the possibilities of manufacturing mechanical pulp in India?

27. What has been the effect of the protective duty on wood pulp on (a) the paper industry in India and (b) the development of any other industry?

28. Please state in respect of those classes of paper which form the bulk of your output the prices at which imported paper has entered the country (the c.i.f. price, landing and other charges and duty to be shown separately).

29. Compare the railway freights paid by importers from the ports to selected up-country markets and the railway freights paid on the produce of your mill to the same market.

(N.B.—What is desired is concrete instances giving the name of the port, the names of the up-country stations, the distances, rates per maund per mile, etc.)

30. Please state for each year since 1931-32 the price realised by you for each principal class of paper manufactured.

(N.B.—The net price realised ex-factory should be given in each case. Please enclose samples.)

31. Please prepare a statement showing the prices at which during the past six years the products of your mill have been sold at up-country centres as compared with places in the vicinity of your factory. Do the former generally correspond with the latter if allowance is made for freight to destination? If not, please explain the reasons for the difference.

32. If the price realised by you for any class of paper is higher or lower than the price of the corresponding class of imported paper, please explain the reasons for the difference.

33. Have you any reason to suppose that prices at which foreign producers sell for export to India are unremunerative, i.e., below the cost of production, or leaving only a small margin of profit to the producer? If so, please state fully your reasons and the evidence on which you rely.

34. In which of the Indian markets is foreign competition keenest?

35. Is there any difference in price between bamboo paper and paper made from other indigenous materials? If so, how far is this difference due to quality and how far to other considerations?

36. Has there been any marked variation in quality of the various classes of paper produced by you since 1931-32? If so, please explain the nature and causes of such variation. Please also state the quantity of paper supplied to the Central and Provincial Governments and to State and other Railways and the price realised for each class of paper so supplied during the past six years.

37. To what extent, if any, have you been adversely affected by the application of the existing test for determining "Printing Paper" for Customs purposes? What remedies would you suggest either by way of modifications of the existing test or by other methods? Have you any

suggestions to make about the adoption of a "sizing" test to distinguish between writing and printing paper?

38. Have you adopted since 1931-32 any new process of manufacture or installed new plant and machinery in replacement of or in addition to the old plant? If so, give a brief description of them and state whether the results have fulfilled the expectations entertained.

39. Please state the sums spent by you on extensions or alterations of plant and machinery since 1931-32 for (a) pulp and (b) paper. To what extent was the expenditure under (a) due to the special requirements of bamboo pulp?

40. Do you contemplate any important replacement or extension of the plant? If so, please give particulars.

41. What is the block value of your property as it stood in your books at the end of the last complete year for which figures are available under the following heads:—

- (a) leases and concessions:
- (b) lands:
- (c) buildings:
- (d) plant and machinery:
- (e) other assets.

42. What do you estimate would be the present day cost under the heads (1) buildings and (2) plant and machinery for erecting a mill having the same capacity as your mill?

43. Please state for each year since 1931-32—

- (1) the amount written off for depreciation:
- (2) the amount of reserve fund created, if any, either from surplus profits or from other sources.

44. Please prepare a statement showing for each year since 1931-32—

- (a) the amount of the paid up share capital ranking for dividend:
- (b) the actual amount distributed as dividends on each class of capital:
- (c) the percentage on the paid up share capital of each class which the dividend represented.

45. Please send copies of your balance sheet for each year since 1931-32.

46. Has the Company raised any debenture or other loans since 1931-32? If so, at what dates were they raised and what is the rate of interest payable? Please state amounts at present outstanding.

47. Please fill up the two Forms V and VI annexed to the questionnaire relating to the cost of manufacture.

48. Please estimate what further reductions in the present cost of manufacture are possible under each head on the assumption that conditions are normal and a full output is obtained.

49. Please furnish an estimate of—

- (1) the average value of the stocks of primary and auxiliary materials, stores and finished goods held by the Company,
- (2) the average outstandings in respect of goods sold by the Company.

50. What are your arrangements for the provision of working capital?

51. If you consider that protection should be continued, please state (i) in what form, (ii) at what rate and (iii) on what classes of paper protection should be granted in future. Please explain fully the grounds upon which your answers are based.

52. To what extent do you claim that the efficiency of manufacture in your mill has improved as judged by (1) reduction in the cost of production of (a) pulp and (b) paper, (2) by reduction in losses in the process of manufacture and (3) by improvement in the quality of the paper produced?

53. If protection is to be continued, do you consider that the classification of paper proposed by the Tariff Board in 1936 is satisfactory? Have you any modifications or simplifications to suggest?

54. It is open to the Tariff Board to make recommendations in regard to the existing surcharge on protective and revenue duties in advance of their main recommendations. Please state your views.

55. Please prepare a statement showing—

(a) the effect of replacing protective duties by revenue duties on the finances of your Company, and

(b) the effect of removing the existing surcharge (see Appendix IV, of the last Tariff Board report).

N.B.—Please state, where necessary, whether the figures given are on a bone dry or air dry basis. If on a bone dry basis, please give the conversion rate to the air dry basis.



Form I.—*Primary Materials.*

1931-32.	1932-33.	1934-35.	1935-36.	1936-37.
Tons.	Tons.	Tons.	Tons.	Tons.

Bamboo—

- | | | | | |
|---|--|--|--|--|
| (1) Quantity of material used | | | | |
| (2) Quantity of finished paper which material represents | | | | |
| (3) Percentage of (2) on the total quantity of paper manufactured | | | | |

Grass—

- | | | | | |
|---|--|--|--|--|
| (1) Quantity of material used | | | | |
| (2) Quantity of finished paper which material represents | | | | |
| (3) Percentage of (2) on the total quantity of paper manufactured | | | | |

Waste-paper and Paper Cuttings—

- | | | | | |
|---|--|--|--|--|
| (1) Quantity of material used | | | | |
| (2) Quantity of finished paper which material represents | | | | |
| (3) Percentage of (2) on the total quantity of paper manufactured | | | | |

Other Indigenous Materials—

- | | | | | |
|---|--|--|--|--|
| (1) Quantity of material used | | | | |
| (2) Quantity of finished paper which material represents | | | | |
| (3) Percentage of (2) on the total quantity of paper manufactured | | | | |

Total Indigenous Materials—

- | | | | | |
|---|--|--|--|--|
| (1) Quantity of material used | | | | |
| (2) Quantity of finished paper which material represents | | | | |
| (3) Percentage of (2) on the total quantity of paper manufactured | | | | |

Imported Pulp—

- | | | | | |
|---|--|--|--|--|
| (1) Quantity of material used | | | | |
| (2) Quantity of finished paper which material represents | | | | |
| (3) Percentage of (2) on the total quantity of paper manufactured | | | | |

Form II.—Total Expenditure incurred on the Production of Bleached Pulp.

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	Rs.	%	Rs.	%	Rs.	%
1. Primary materials (<i>N.B.</i> —Expenditure on each material to be shown separately as well as the quantity of each used.)						
2. Chemicals and other auxiliary materials (<i>N.B.</i> —Expenditure on each principal material, including bleaching material, to be shown separately as well as the quantity of each used.)						
3. Power and fuel						
4. Current repairs and maintenance						
5. Labour						
6. Supervision and establishment						
7. Any other items in cost of manufacture						
Total						
8. Insurance						
9. Rents, rates and taxes (excluding income-tax)						
10. Depreciation at statutory rates						
11. Interest on working capital						
12. Head office expenses and managing agents' commission						
13. Miscellaneous						
Total						
Grand Total						
Total output of pulp for the year in tons						

N.B.—Overhead charges (items 8-13) will have to be apportioned as between pulp and paper.
If Depreciation is calculated at rates different from the statutory rates, please state the rates.

Form III.—Cost per ton of Bleached Pulp.

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	Rs. %	Rs. %	Rs. %	Rs. %	Rs. %	Rs. %
1. Primary materials						
(N.B.—Expenditure on each material to be shown separately as well as the quantity used.)						
2. Chemicals and other auxiliary materials						
(N.B.—Expenditure on each principal material, including bleaching material to be shown separately as well as the quantity of each used.)						
3. Power and fuel						
4. Current repairs and maintenance						
5. Labour						
6. Supervision and establishment						
7. Any other items in cost of manufacture						
Total						
8. Insurance						
9. Rents, rates and taxes (excluding income-tax)						
10. Depreciation at statutory rates*						
11. Interest on working capital						
12. Head office expenses and managing agents' commission						
13. Miscellaneous						
Total						
Grand Total						
Total output of pulp for the year in tons						

* If depreciation is calculated at rates different from the statutory rate, please state the rates.

FORM IV.—Auxiliary Materials.

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	Tons.	Price.	Tons.	Price.	Tons.	Price.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Per ton.	Per ton.	Per ton.	Per ton.	Per ton.	Per ton.
<i>Pulpmaking material—</i>						
Quantity of material used—						
(a) Indian
(b) Imported
<i>Bleaching material—</i>						
Quantity of material used—						
(a) Indian
(b) Imported
<i>Loading materials—</i>						
Quantity of material used—						
(a) Indian
(b) Imported
<i>Sizing material—</i>						
Quantity of material used—						
(a) Indian
(b) Imported
<i>Any other auxiliary material—</i>						
Quantity of material used—						
(a) Indian
(b) Imported
<i>Total auxiliary materials—</i>						
Quantity of material used—						
(a) Indian
(b) Imported



FORM V.—Total Expenditure incurred on the Production of Paper.

1931-32.	Rs.	%	1932-33.	Rs.	%	1933-34.	Rs.	%	1934-35.	Rs.	%	1935-36.	Rs.	%	1936-37.	Rs.	%
----------	-----	---	----------	-----	---	----------	-----	---	----------	-----	---	----------	-----	---	----------	-----	---

Manufacturing expenses—

1. Primary materials
(N.B.—Expenditure on each material to be shown separately as well as the quantity of each used.)
2. Imported pulp
3. Auxiliary materials
(N.B.—Expenditure on each principal material to be shown separately as well as the quantity of each used.)
4. Power and fuel
5. Current repairs and maintenance
6. Labour
7. Supervision and establishment—
(a) salaries of technical staff
- (b) salaries of non-technical staff
8. Packing
9. Any other items in cost of manufacture

Total

Overhead charges—

10. Selling expenses
11. Insurance
12. Rents, rates and taxes (excluding income-tax)
13. Depreciation at statutory rates
14. Interest on working capital
15. Head office expenses and managing agents' commission
16. Miscellaneous

Total

Grand Total

Total output of paper for the year in tons

N.B.—If depreciation is calculated at rates different from statutory rates, please state the rates.

Form VI.—Works cost per ton of Finished Paper.

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	Rs.	%	Rs.	%	Rs.	%

Manufacturing expenses—

1. Primary materials
(N.B.—Expenditure on each material to be shown separately as well as the quantity of each used.)
2. Imported pulp
3. Auxiliary materials
(N.B.—Expenditure on each principal material to be shown separately as well as the quantity of each used.)
4. Power and fuel
5. Current repairs and maintenance
6. Labour
7. Supervision and establishment—
(a) salaries of technical staff
(b) salaries of non-technical staff
8. Packing
9. Any other items in cost of manufacture

Total

Overhead charges—

10. Selling expenses
11. Insurance
12. Rents, rates and taxes (excluding income-tax)
13. Depreciation at statutory rates
14. Interest on working capital
15. Head office expenses and managing agents' commission
16. Miscellaneous

Total

Grand Total

Total output of paper for the year in tons

N.B.—If depreciation is calculated at rates different from the statutory rates, please state the rates.

(2) *Questionnaire for Importers and Traders.*

1. Please state the prices at which the principal classes of imported paper which compete with Indian made paper have entered the country since 1931-32. Please state also the current price of each class of paper. The c.i.f. price, landing and other charges and duty should be stated separately in each case.

2. Please state the corresponding prices at which the principal classes of Indian made paper which compete with imported paper have been sold. Please enclose samples of each class of imported and Indian paper.

3. Is there any difference between the price realised by Indian mills for any class of paper and the price of the corresponding class of imported paper? If so, please explain the reasons for the difference.

4. Compare the railway freight paid by you from port to selected up-country markets and the railway freights paid on the produce of Indian mills to the same markets.

(N.B.—What is desired is concrete instances giving the name of the port, the names of the up-country stations, the distances, rate per maund per mile, etc.)

5. Have you any reason to suppose that prices at which foreign producers sell for export to India are unremunerative, i.e., below the cost of production, or leaving only a small margin of profit to the producer? If so, please state fully your reasons and the evidence on which you rely.

6. In which of the Indian markets is foreign competition keenest?

7. Please prepare a statement showing the prices at which during the past six years the products of Indian mills have been sold at up-country centres as compared with places in the vicinity of factories.

8. Is there any difference in price between paper made from bamboo and paper made from other indigenous materials? If so, how far is the difference due to quality and how far to other considerations?

9. Has there been any marked variation since 1931-32 in the quality of the various classes of paper manufactured by Indian mills? If so please explain the nature and causes of such variation.

10. To what extent has the quality of Indian made paper improved in the last six years?

11. Do you wish to make any representations on the methods adopted by the Customs Department for the appraisement of the dutiable value of imported paper?

12. To what extent, if any, have you been adversely affected by the existing tests for determining the amount of mechanical pulp in paper and for distinguishing between "Printing" and "Writing" paper. Have you any proposals to make about the modification of the existing tests or the introduction of new methods, e.g., a "Sizing" test to distinguish between printing and writing paper?

13. What has been the effect of the duty on imported wood pulp? What has been the effect of the variations in prices of imported wood pulp?

14. What, in your opinion, is likely to be the trend of prices of imported wood pulp and imported paper during the next few years?

15. What is your opinion on the possibility of developing a market for Indian made pulp for paper or other purposes (a) in India and (b) abroad? What, in your opinion, are the possibilities of establishing pulp mills?

16. What do you estimate to be at present—

(1) the total Indian production of paper:

(2) the total Indian demand for—

(a) protected papers:

(b) unprotected papers?

17. What other industries are affected by protective duties on paper?

18. What are your views on the continuance of protection for the paper industry? If you consider that protection should be continued please state in what form. Please explain fully the grounds upon which your answers are based.

19. If protection is to be continued, do you consider that the classification of paper proposed by the Tariff Board in 1936 is satisfactory? Have you any modifications or simplifications to suggest?

20. It is open to the Tariff Board to make recommendations in regard to the existing surcharge on protective and revenue duties in advance of their main recommendations. Please state your views.

(3) *Questionnaire for newspapers, printers and publishers.*

1. Please furnish a statement showing the quantity of paper used since 1931-32 under the following heads:—

(a) Imported.

(b) Indian.

2. How far has quality of Indian paper improved and for what purposes can it be used?

3. What has been the effect of protection on the printing and publishing industries?

4. Has the cost of paper affected the amount of printing and publishing done in India? Please quote instances, if any.

5. To what extent are printed sheets unbound imported for the purpose of binding in India in order to evade Customs duty?

6. To what extent, if any, have you been adversely affected by the application of the existing tests for determining newsprint for Customs purposes? Have you any modifications to suggest?

7. What other industries are affected by protective duties on paper?

8. If you consider that protection should be continued, please state (i) in what form, (ii) at what rate and (iii) on what classes of paper protection should be granted in future. Please explain fully the grounds upon which your answers are based.

9. If protection is to be continued, do you consider that the classification of paper proposed by the Tariff Board in 1936 is satisfactory? Have you any modifications or simplifications to suggest?

10. It is open to the Tariff Board to make recommendations in regard to the existing surcharge on protective and revenue duties in advance of their main recommendations. Please state your views.

4. Provincial Governments and the Chief Commissioner, Delhi.

(1) *Circular letter No. 19, dated the 5th January, 1938, from the Tariff Board, to all Provincial Governments and the Chief Commissioner, Delhi.*

I am directed to state that in their Resolution No. 202-T. (1)/36, dated the 11th December, 1937, the Government of India, Department of Commerce, have asked the Tariff Board to enquire into the desirability of continuing measures for the protection of the Bamboo Paper and Paper Pulp Industries after 31st March, 1939, when the present protective duties expire.

2. For the purpose of this enquiry the Board has asked the Controller of Printing and Stationery for full particulars of all his purchases of paper for each year since 1931-32. In case, however, the Government of do not obtain their supply of paper through the Controller, I am to say that the Board would be grateful if the Government of could supply full particulars of their purchases for each year from 1931-32 of—

- (1) Writing paper,
- (2) Printing paper,
- (3) Packing and wrapping paper,
- (4) Miscellaneous paper such as blotting paper

showing (i) class of paper, (ii) quantity purchased, and (iii) average price paid for both (a) Indian and (b) imported classes.

3. The Board would also be glad to have full information regarding any development of the Paper and Paper Pulp Industries in the province of since 1931-32. In particular, they would like to have detailed information on the following points in so far as they relate to the province of :—

- (1) No. of paper and paper-pulp mills existing or projected.
- (2) Whether the existing mills are working or not or are likely to resume working if they have stopped.
- (3) Areas in which bamboo, grass or other materials are available in sufficient quantities to meet the needs of a paper or paper-pulp mill.
- (4) Whether hydro-electric or other electric power development schemes have come into existence or are in contemplation which would assist the opening of new mills.
- (5) Whether any, and if so what, assistance has been given to any mill in the form of concessions or direct financial aid or otherwise and whether the grant of any such assistance is contemplated.

4. Copies of questionnaires for manufacturers, importers and traders and newspapers, printers and publishers will be sent to you later on when they are ready in case you wish to offer any comments on them.

5. The Board would be grateful for a reply (with four spare copies) as early as possible, addressed to the Secretary, Tariff Board, 1, Council House Street, Calcutta.

(2) *Circular letter No. 48, dated the 10th January, 1938, from the Tariff Board, to all Provincial Governments and the Chief Commissioner, Delhi.*

In continuation of this office Circular No. 19, dated the 5th January, 1938, I am directed to forward herewith a complete set of questionnaires issued by the Tariff Board to the (1) Manufacturers, (2) Importers and Traders and (3) Newspapers, Printers and Publishers. The Board will be glad to have any comments which the Government of may like to make on any of the points raised therein.

- (3) *Circular letter No. 176, dated the 10th February, 1938, from the Tariff Board, to all Provincial Governments and the Chief Commissioner, Delhi.*

In continuation of this office letter No. 19, dated the 5th January, 1938, I am directed to request you to be so good as to furnish the Tariff Board with information regarding the condition of hand made paper industry in your Presidency/Province.

An early reply is solicited.

- (4) *Letter No. 1321-E., dated the 25th March, 1938, from the Education and Local Self-Government Departments, Assam, Shillong.*

I am directed to refer to your letter No. 19, dated the 5th January, 1938, and the subsequent correspondence and to furnish the following information:—

2. In reply to paragraph 2 of your letter dated the 5th January, 1938, I am to say that with the exception of some petty local purchases this Government obtain their requirements to paper through the Controller of Printing and Stationery.

Paragraph (3) (1) and (2).—There are no paper or paper pulp mills in this province.

(3) Bamboo, grass or other materials are available in sufficient quantities in the Reserves and Khas lands of the districts of Goalpara, Kamrup, Nowgong and Darrang in the Assam Valley and also in Sylhet and Cachet in the Surma Valley which can meet the needs of a paper or paper-pulp mill.

(4) With reference to this sub-paragraph, I am to forward a copy of the paper note below showing the Hydro-electric and other Electric power development schemes of the province.

“Note by Mr. W. Allsup, Electrical Adviser to the Government of Assam.”

(5) As there are no such mills in Assam this question does not arise.

3. In reply to your letter dated the 10th January, 1938, forwarding a set of questionnaire for manufacturers, I am to say that in the absence of any paper or paper pulp mills in this province and as there is no likelihood of starting any such mills here by any capitalist in the near future, this Government have no comments to make on questionnaire but are generally in favour of the continuance of the protective measures.

4. As regards your letter dated the 10th February, 1938, I am to inform you that there is no hand-made paper industry in this province.

Note by Mr. W. Allsup, Electrical Adviser to the Government of Assam.

PULP AND PAPER MILL.

(Possibilities in Assam.)

Item 3, Sub-Item (4).—The following towns possess Electric Supply Companies operating under License under the Indian Electricity Act—

Shilling	.	.	.	Hydro-electric.
Gauhati	.	.	.	Thermal (Oil Engine).
Sylhet	.	.	.	" "
Silchar	.	.	.	" "
Jorhat	.	.	.	" "
Dibrugarh	.	.	.	" "
Tezpur	.	.	.	" "

whilst the position regarding the other towns is as follows:—

Dhubri	License just granted. Will be thermal station (oil engine).
Nowgong	License on point of granting. Will be thermal station (oil engine).
Tinsukia	Interested parties are pressing the question of application for license. All these towns will be thermal stations (oil engine).
Karimganj	
Maulvibazar	
Habiganj	

The above existing or immediately contemplated public electric supply companies (Licensees) are small ones and would have to instal extra plant to cope with any considerable mill demand. Unless *very* competitive rates of charge for industrial energy can be given to the mills the mills are likely to instal their own power plant, so the question of existing electrical power supply companies availability is not of much actual application in the case of Assam at the present date, highly desirable as it is in the general interest that industries be encouraged to take supply from the Public Supply Companies. After all business is business and factories do not primarily function as public philanthropists.

Hydro-electric possibilities.—The only large Hydro-electric scheme likely, if it is likely, is Mr. Jeffrey's for developing power on the Barak River in Manipur State and transmitting it for use throughout the Surma Valley. This is at present hypothetical.

There are many hydro-electric sources of power available in the province but generally at a considerable distance from existing centre of population and industry. Shillong is the exception but the haulage of materials to and from Shillong would be very costly.

A typical case of a "good" hydro-electric site—considered that is from the aspect of ample capacity (Horse Power)—is the Umtru Cascade site; some 4 miles up the Umtru River from Burnihat on the Shillong-Gauhati River. This is sited in heavy River Forest and timber could possibly be floated down to the mill and thence transported by road to Burnihat and so to Gauhati with its railway and Brahmaputra River Service.

The various important factors in the question only require mentioning to be realised, *e.g.*—

- (a) "Cheap" hydro-power but possibly high capital costs in "works" on site or to site of manufacture.
- (b) Haulage costs of raw material to mill and thence to distribution centre with rail or river facilities.
- (c) Availability of coal for thermal stations in opposition to hydro-electric ones.

Some hill streams are no doubt suitable both for hydro-electric development and also for floating down the raw material to the paper mills and possibly from the mill to a distributing (rail or river) centre.

Coal is available in Assam, *e.g.*, Margherita, Nazira Coal Areas (Naga Foot hills), Cherrapunjee, etc. In such areas thermal stations might have a great advantage over hydro-electric stations in view of the general high capital costs involved in hydro installations.

Each case would have to be carefully investigated on its merits if and when any organisation contemplated setting up a pulp or paper mill.

(5) Letter No. 459-D., dated the 2nd March, 1938, from the Government of Bihar, Development Department, Patna.

I am directed to acknowledge the receipt of your letter No. 19, dated the 5th January, 1938, and to say that the information regarding the condition of hand made paper industry will be supplied to you as soon as necessary materials are collected.

(6) *Letter No. 1160-D., dated the 10th June, 1938, from the Government of Bihar, Development Department, Patna.*

In continuation of my letter No. 459-D., dated the 2nd March, 1938, I am directed to say that out of six private persons concerned with the hand-made paper industry who were addressed in the matter, three have replied to the effect that they are not in a position to make any comments and replies from the other three are not expected. No reply has yet been received from the Superintendent, Government Printing, Bihar, who was also addressed in the matter, but a copy of letter No. 7685—19-M. (83), dated the 19th February, 1938, from the Conservator of Forests, Bihar, to the address of the Director of Industries, Bihar, furnishing his views on the question, is enclosed for your information.

Copy of letter No. 7685—19-M. (83), dated the 19th February, 1938, from the Conservator of Forests, Bihar, to the Director of Industries, Bihar.

Subject:—ENQUIRY INTO THE DESIRABILITY OF CONTINUING MEASURES FOR THE PROTECTION OF BAMBOO PAPER AND PAPER PULP INDUSTRIES.

With reference to your letter No. 1583—84, dated the 1st February, 1938, I have the honour to state that I have no comments to offer except in the use of sabai grass for paper pulp. Recently there have been indications that the use of sabai grass for paper pulp is being supplemented by use of bamboo. The exact extent of available bamboo resources of India is not known to me but they are in demand also for domestic requirements of all sorts. At present they are available possibly in fair quantities but I am not at all sure that this will always be the case at least in Bihar as a great deal of the supply is at present being obtained from private sources in which scientific management is not even attempted and basket makers and cultivators are a serious menace in those areas. It is likely therefore that it will not be far distant before the natural sources tend to diminish and create at any rate difficulties especially with a large number of concerns coming into the market. Bamboos are not easy for villagers to cultivate on a large scale and their proximity to villages which is the only place where individuals would care to grow them is said to result in unhealthy material conditions. Bamboos also are very selective and will not grow everywhere. Sabai on the other hand is an annual crop capable of cultivation by individual raiyats if necessary and available throughout Bihar a simple crop to manage and not tempered with to the extent that a bamboo crop is. It is a crop which will grow on most soils if properly attended and it should be possible for villagers to grow it on most of their useless lands often very abundant in some parts. It is rather and therefore to have to face the prospects that the use of this material for paper is dying or likely to die and I think that the paper made from it is suitable, the use of sabai for paper making should not be allowed to die out. How this can be effected I am not aware but I think that it is a point that should be carefully considered and advice of the industry itself taken.

(7) *Letter No. 1240-D., dated the 24th June, 1938, from the Government of Bihar, Development Department, Patna.*

In continuation of my letter No. 1160-D., dated the 10th June, 1938, I am directed to enclose a copy of letter No. 10168, dated the 13th June, 1938, and its enclosure from the Director of Industries, Bihar, together with four spare copies of the same, containing the information asked for in your letter No. 19, dated the 5th January, 1938.

Enclosure.

Letter No. 10168, dated the 13th June, 1938, from the Director of Industries, Bihar, to the Government of Bihar, Education and Development Department, Patna.

With reference to the Assistant Secretary's Memorandum No. 110-D., dated the 15th January, 1938, I have the honour to enclose a statement showing full particulars of the purchases of all classes of paper for 5 years from 1931-32 and also to note as below:—

1 & 2. There were proposals for starting paper mills in Bihar in the year 1928 but they did not materialise for want of requisite funds.

The Rohitas Industries, Ltd., are erecting a paper mill at Dehri and the mill is expected to be started in about three or four months time.

3. (i) Subai grass is available at the following places in Bihar:—

(a) Saranda, Kolhan and Porahat forest division in the district of Singhbhum.

(b) Bettiah Estate.

(c) Ramgarh Estate.

(d) Raj Srinagar Estate.

(e) Mullehpur Forest under Banailly Raj in Jamui sub-division.

(f) Sahebganj area in the Santal Parganas.

(ii) Bamboo is available in the areas noted below:—

(a) Palamau district.

(b) Raj Banailly Estate.

(c) Ramgarh Estate.

(d) Raj Srinagar Estate.

4. There is at present no Hydro-electric scheme in Bihar. Electric power is, however, available at the stations mentioned in the statement enclosed.

5. None.

Provincial Stationery Store.

Date of purchase.	Class of papers.	Quantity purchased.	Amount.	Average rate per lb.
		lbs.	Rs.	
1932-33	(a) Printing paper	75,898	16,602	3 6
	(b) Writing paper	41,540	10,060	3 10½
	(c) Packing paper	7,550	1,229	2 7
	(d) Blotting paper	13,640	3,659	4 3½
1933-34	(a) Printing paper	102,008	22,580	3 6½
	(b) Writing paper	35,180	8,795	4 0
	(c) Packing paper	7,175	1,084	2 5
	(d) Blotting paper	12,024	3,319	4 5
1934-35	(a) Printing paper	80,448	16,341	3 3
	(b) Writing paper	33,810	7,743	3 8
	(c) Packing paper	2,950	399	2 2
	(d) Blotting paper	11,500	3,055	4 3
1935-36	(a) Printing paper	131,007	24,802.10	3 3½
	(b) Writing paper	62,216	16,456	3 9
	(c) Packing paper	7,175	1,009	2 3
	(d) Blotting paper	17,700	4,701	4 3
1936-37	(a) Printing paper	82,292	16,715	3 4
	(b) Writing paper	33,883	8,472	4 0
	(c) Packing paper	6,516	916	2 3
	(d) Blotting paper	12,960	3,443	4 3

Provincial Stationery Store, Miscellaneous Paper.

Year.	Imported Class.	Quantity.	Value. Rs.
1932-33	Writing paper 15 lb. C. W. .	50 reems.	406
	Drawing paper . . .	14,417 lb.	8,918
1933-34	Drawing paper . . .	11,610 lb.	6,298
	Antiquarian . . .	$\frac{1}{2}$ ream.	425
1934-35	Drawing paper . . .	10,685 lb.	5,328
1935-36	Drawing paper . . .	6,581 lb.	3,248
1936-37	Drawing paper . . .	660 lb.	566

Gulzarbagh Government Press.

Date of purchase.	Class of papers.	Quantity purchased.	Amount.		Average rate per lb.	
		lbs.	Rs.	A. P.	A. P.	
1934-35	Printing paper .	135,015	28,831	5 3	3 5	
	Packing paper .	3,672	554	10 0	2 5	
1935-36	Printing paper .	117,088	25,003	2 8	3 5	
	Packing paper .	6,668	1,007	2 4	2 5	
1936-37	Printing paper .	96,389	21,085	1 6	3 6	
	Packing paper .	4,998	754	14 6	2 5	
1937-38	Printing paper .	171,255	39,245	15 0	3 8	
	Packing paper .	4,734	764	5 6	2 7	

Jail Press, Gaya.

Date of purchase.	Class of papers.	Quantity purchased.	Amount.		Average rate per lb.	
		Tons.	Rs.	A. P.	A. P.	
1931-32	Printing paper .	381	1,63,094		3 1	
	Packing paper .	10	3,555		2 6	
1932-33	Printing paper .	361	1,79,839		3 7	
	Packing paper .	10	3,315		2 5	
1933-34	Printing paper .	292	1,41,674		3 6	
	Packing paper .	2 $\frac{1}{2}$	824		2 3 $\frac{1}{2}$	
1934-35	Printing paper .	261	1,17,090		3 2 $\frac{1}{2}$	
	Packing paper .	5	1,587		2 3	
1935-36	Printing paper .	409	1,87,315		3 3	
	Packing paper .	8 $\frac{1}{2}$	2,601		2 2	
1936-37	Printing paper .	363	1,98,238		3 10	
	Packing paper .	10	3,016		2 2	

List of Electric Supply Companies functioning in this Province.

1. Patna Electric Supply Co., Patna.
2. Bhagalpur Electric Supply Co., Bhagalpur.
3. Muzaffarpur Electric Supply Co., Muzaffarpur.
4. Monghyr Electric Supply Co., Monghyr.

5. Chapra Electric Supply Co., Chapra.
6. Arrah Electric Supply Co., Arrah.
7. Giridih Electric Supply Co., Giridih.
8. Gaya Electric Supply Co., Gaya.
9. Ranchi Electric Supply Co., Ranchi.
10. Sijua Jharia Electric Supply Co., Manbhum Dist.
11. Disbargarh Power Supply Co., Disbargarh, Manbhum Dist.

(8) *Letter No. 3231-E, dated the 5th May, 1938, from the Government of Orissa, Education Department, Cuttack.*

With reference to the correspondence resting with your letter No. 176, dated the 10th February, 1938, I am directed to say as follows:—

The Province of Orissa came into being on the 1st April, 1936. Therefore, the particulars required in para. 2 of Board's letter No. 19, dated the 5th January, 1938, are furnished in the enclosed statements for the years 1936-37 and 1937-38 (upto the 15th February, 1938) only.

2. As regards para. 3 of the Board's letter referred to above the information in detail is given below:—

Item (1).—There are no paper or pulp mills in the province. A paper pulp mill is being erected by the Orient Paper Mill Company near Ib, Bengal Nagpur Railway in Sambalpur district.

Item (2).—Does not arise.

Item (3).—Grass or other materials are not available in sufficient quantities to meet the needs of a paper or pulp mill. The Angul Division forests can supply bamboos about 9,000—10,000 tons, and each of the Barapahar and Sambalpur Divisions about 7,000 tons of bamboos. Additional supplies of bamboos may become available in Puri and Russelkonda divisions, a maximum outturn of about 2,000 tons of bamboos being estimated.

Item (4).—There are no Hydro-electric or other electric development schemes under contemplation at present or in existence which would assist the opening of new mills.

Item (5).—A 30-year lease from 1928 was given to Messrs. Heilgers & Co., for working bamboos in the Reserve forests of Angul. The normal royalty was Re. 1 per 100. As at that time the manufacture of paper pulp was a pioneer industry and none of the bamboo forests of the Province (Bihar and Orissa) were being exploited for bamboos, Government agreed to a lease on the following terms:—

First 15 years at As. 4 per 100.

Second 15 years at As. 8 per 100.

The Company has the option of renewing the lease on such terms as may be mutually agreed upon.

A 30-years' lease of the bamboo forests of Barapahar and Sambalpur Divisions to the Orient Paper Mill Company is under consideration. The present royalty is As. 15 per 100. The concessions proposed are:—

First 4 years at As. 4 per 100.

Next 15 years at As. 8 per 100.

3. The Government of Orissa have no comments to make on the questionnaires of the Tariff Board received with their letter No. 48, dated the 10th January, 1938.

4. With reference to Board's letter No. 176, dated the 10th February, 1938, I am to say that there is no hand-made paper industry in this province.

5. Four spare copies of this letter are enclosed as requested in para. 5 of Board's letter No. 19, dated the 15th January, 1938.

Statement showing full particulars of all purchases of paper for the year 1936-37.

Serial No.	Class of paper.	Quantity purchased.	Average price paid for		Remarks.
			Indian.	Imported classes.	
		Lbs.	Rs. A. P.	Rs. A. P.	
1	Writing paper	3,594	914 6 0	7 8 0	
2	Printing paper	31,556	6,118 11 2½	..	
3	Packing and wrapping paper.	4,069½	583 9 0	..	
4	Miscellaneous papers such as blotting paper, hand-made paper, etc.	1,764½	492 9 0	22 0 0	

Statement showing full particulars of all purchases of paper for the year 1937-1938 (up to the 15th February, 1938).

Serial No.	Class of paper.	Quantity purchased.	Average price paid for		Remarks.
			Indian.	Imported classes.	
		Lbs.	Rs. A. P.	Rs. A. P.	
1	Writing paper	16,579	3,770 7 10	594 4 0	
2	Printing paper.	98,695	21,793 8 0	..	
3	Packing and wrapping paper.	4,856	708 10 6	..	
4	Miscellaneous papers such as blotting paper, hand-made paper, etc.	13,963½	3,752 9 4½	130 10 8	

(9) Letter No. 1877/XVIII-390, dated the 8th March, 1938, from the Government of the United Provinces, Industries Department, Lucknow.

With reference to your letter No. 19, dated January 5th, 1938, I am directed to forward herewith a statement (with four spare copies) showing the quantity and value of paper (both Indian and foreign) purchased by the Government of the United Provinces during the years 1932-33 to 1937-38. Information in respect of the year 1931-32 is not available.

2. As regards para. 3 of your letter referred to above, I am to reply as follows:—

- (1) One paper mill—The Upper India Couper Paper Mills Co., Ltd., Lucknow, is in existence. Another mill, the Star Paper Mills, Saharanpur, is under construction.
- (2) The existing mill is working.
- (3) A statement showing the approximate area and annual outturn of the principal bamboo forests in the United Provinces is enclosed. Baib grass is available in Tarai districts, viz., Bahraich, Gonda, Kheri, Bijnor and Dehra Dun. The Upper India Couper Paper Mills do not use bamboo for manufacturing paper.
- (4) Hydro-electric schemes of the Provincial Government have made cheap power available and the Star Paper Mills, Saharanpur, is going to utilise hydro-electric energy.
- (5) No direct assistance has so far been given by the Provincial Government to the paper mills. Contracts for the supply of Government requirements have been placed with the Lucknow mill by the open tender system. No direct assistance is proposed to be given to the paper mill at Lucknow.

3. A further report about some points will be sent shortly.

Statement showing approximate areas and annual out-turn of the principal bamboo producing forests of the United Provinces.

Forest Division.	Bamboo Area (acres) approximate.	Annual out-turn (scores) approximate.
Lansdowne	105,000	246,000
Kalagarh	200,000	70,000
Saharanpur	73,000	37,000
Jhansi	82,000	33,000

There are also considerable quantities of bamboos in Banda Forest Division, probably about the same as given above for Jhansi.

From the whole of the reserved forests of the United Provinces the annual out-turn of bamboos is about 5½ lakhs scores valued at about Re. 1 lakh.

Bamboos occur in other Forest Divisions not mentioned above in small quantities only.

Printing Paper.

Kind of paper.	Indian or Imp.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		1937-38.	
		Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.
White Printing	Indian.	Tons. 185	Rs. 94,017	Tons. 161	Rs. 77,171	T. c. 176 0	Rs. 79,279	T. c. 198 0	Rs. 89,189	T. c. 276 5	Rs. 1,22,842	Tons. 469	Rs. 2,08,751
Badami	Do. .	211	92,608	66	21,726	57 5	21,821	..	..	..	..	..	..
Glazed Buff	Do. .	..	..	321	87,127	289 10	81,921	380 10	1,12,067	605 0	1,95,657	671	2,40,252
Semi-Bleached	Do. .	247	1,19,820	70	32,744	..	..	..	..	..	..	..	..
Coloured Paper	Do. .	11	5,717	8	3,659	7 5	3,433	13 15	6,511	12 15	6,038	10	4,274
Total .		654	3,12,162	626	2,22,427	530 0	1,86,454	592 5	2,07,767	894 0	3,24,537	1,150	4,53,277

Writing Paper.

Kind of Paper.	Indian or Imported.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		1937-38.	
		Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.
		T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.
Cream Laid .	75% Indian.	..	..	..	..	0 10 0	485	0 10 0	485	0 10 0	485	..	..
Do. .	Do. .	2 0 0	1,109	2 0 0	1,062	1 5 0	628	2 5 0	1,130	1 5 0	626	3 10 0	1,759
Cream Wove .	Do. .	22 0 0	12,197	26 0 0	13,814	28 10 0	14,319	21 0 0	10,551	30 10 0	15,324	49 0 0	24,619
Azure Laid .	Do. .	7 0 0	4,053	9 0 0	5,094	6 10 0	4,353	7 10 0	3,985	9 5 0	4,915	10 10 0	5,579
Type Writing .	Do. .	4 0 0	2,495	7 0 0	4,123	7 0 0	3,962	5 5 0	2,971	6 15 0	3,820	9 0 0	5,098
Type Cream Laid.	Do. .	..	..	..	..	..	..	2 0 0	1,155	1 15 0	1,011	3 0 0	1,733
Total .		35 0 0	19,744	44 0 0	24,093	44 0 0	22,347	39 0 0	20,277	50 0 0	26,183	75 0 0	38,788
15-lb. Tub-sized and Loftdried 16 1/2" x 13 1/2"	Imported.	..	..	0 3 39	213	0 1 68	90	0 4 31	368	0 4 12	270	0 3 39	229
14-lb. Luxor Bond Medium 18" x 23"	Do. .	..	..	0 5 0	203	0 4 42	177	0 1 98	76	0 3 14	127	0 3 98	184

18-lb. Croxley Extra Strong Cream Wove Medium.	Do. .	0 0 90	62	0 0 90	65	0 0 90	62	0 1 68	127	..	0 0 90	04
31-lb. Type- writing Pa- per.	Do. .	..	..	0 10 80	1,000	..	..	..	..	30	0 0 60	70
2-lb. Type- writing Cream Laid Antique 13" × 8".	Do. .	..	..	0 10 80	1,247	..	..	..	..	..	..	..
32-lb. Ledger paper double foolscap.	Do. .	2 0 45	3,290	..	..	..	..	..	..	1,402	0 16 57	1,343
32-lb. Ledger paper, Medi- um.	Do. .	0 6 96	601	..	..	..	..	..	..	..	..	..
24-lb. Ledger paper, Demy.	Do. .	0 4 37	339	..	..	..	..	..	..	..	..	..
72-lb. Hand- made, Impe- rial.	Do. .	..	..	..	..	..	..	..	..	..	..	..
34-lb. Hand- made, Super- Royal.	Do. .	..	..	..	..	..	..	..	..	..	..	..
44-lb. Hand- made, Royal.	Do. .	0 1 108	325	0 4 80	728	0 6 44	100	..	..	..	..	..

Packing and Wrapping Paper.

Kind of paper.	Indian or Imported.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		1937-38.	
		Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.
Brown wrapping.	Indian	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.
		84 0 0	27,651	0 0 92	29,753	85 10 0	25,676	77 0 0	23,123	89 10 0	26,877	101 0 0	30,330
Total		84 0 0	27,651	0 0 92	29,753	85 10 0	25,676	77 0 0	23,123	89 10 0	26,877	101 0 0	30,330
54-lb. Kraft Paper, 36" × 48".	Imported	..	..	..	..	..	..	0 4 11	79	..	..	..	..
40-lb. Kraft Paper, 29" × 44".	Do.	..	..	..	..	..	..	0 7 96	151	..	..	..	..
47-lb. Kraft Paper, 29" × 44".	Do.	..	..	..	..	..	..	..	..	..	..	0 5 4	97
Water Proof Kraft Paper.	Do.	..	..	..	..	..	..	0 8 94	225	0 0 99	182	0 11 6	271
Total		..	..	..	..	..	..	1 1 0	455	0 0 99	182	0 16 10	368

Miscellaneous Papers.

Kind of paper.	Indian or Imported.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		1937-38.	
		Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.
		T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.
White Cartridge	Indian	23 0 0	11,954	19 0 0	9,327	8 0 0	36,960	20 0 0	9,240	17 10 0	8,085	27 0 0	12,162
Blotting Paper	Do.	9 0 0	5,665	8 0 0	4,805	4 5 0	2,504	9 0 0	5,301	8 0 0	4,712	10 0 0	5,891
Duplicating Paper.	Do.	3 0 0	1,715	2 0 0	1,063	3 5 0	1,633	3 0 0	1,507	0 7 5	3,643	6 10 0	3,228
Manilla.	Do.	50 0 0	22,811	54 0 0	22,141	44 15 0	17,438	35 0 0	13,340	69 0 0	26,299	90 0 0	34,304
34-lb. Imitation Art Double foolscap.	Do.	..	..	..	..	..	..	..	..	1 2 86	565	..	..
Total	..	85 0 0	42,145	83 0 0	37,336	61 5 0	58,535	67 0 0	29,388	102 17 86	43,304	133 10 0	55,585
133-lb. Emperor	Imported	0 0 33	167	..	..	..	..	0 0 33	264	..	..	0 0 67	280
285-lb. Anti-quarium 53" x 31".	Do.	0 2 61	1,034	..	..	..	..	..	..	..	..	..	..
130/133-lb. Double Elephant 40 x 27.	Do.	0 3 54	922	..	..	0 2 36	423	0 1 83	329	0 2 36	580	0 3 54	967

Miscellaneous Papers—concl'd.

Kind of Paper.	Indian or Imported.	1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		1937-38.	
		Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.	Tonnage.	Value.
78-lb. A—Lancaster cover Biscuit.	Imported.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.	T. c. lb.	Rs.
		..	..	..	..	0 1 32	114	..	..	..	..	..	..
78-lb. B—Ditto Algeria.	Do.	..	..	..	..	..	..	0 0 78	51	..	..	..	..
75-lb. Bemersyde cover paper Sepia.	Do.	..	..	..	..	0 0 75	39	..	..	..	..	..	..
75-lb. A—Ditto Penryn.	Do.	..	..	..	..	0 0 75	39	..	..	..	..	..	..
75-lb. Ditto Jade.	Do.	..	..	..	..	0 0 75	39	..	..	..	..	..	..
60-lb. Chieftain Matted. C. P. Atlanta.	Do.	..	..	0 1 68	64	..	..	..	..	..	..	..	..
60-lb. A—Ditto Prunella.	Do.	..	..	..	..	..	..	..	..	..	..	..	..
66-lb. B—Ditto Blue Powder.	Do.	..	..	0 1 68	115	..	..	..	..	..	..	..	..
60-lb. Kenilworth cover Paper Ash.	Do.	0 0 60	25	..	..	..	..	0 1 8	52	..	..	..	..

(10) *Letter No. 1457/XVIII-390, dated the 21st March, 1938, from the Government of the United Provinces, Industries Department, Lucknow.*

I am directed to forward herewith for the information of the Tariff Board a note on the hand made paper industry in the United Provinces.

Hand made paper industry in the United Provinces.

The hand made paper industry flourished in the United Provinces in the past. It gradually deteriorated until it became almost extinct chiefly due to the superior and cheaper mill made paper being available.

2. The chief centres of hand made paper industry in the United Provinces are Agra, Kalpi, Muttra and Moradabad. In Kalpi there is a school where training is given for a short period after which men start working in their own homes, the school acting as buying and selling agency for raw materials and finished products.

3. The principal raw materials used are waste paper, jute fibres and rice grass. The waste paper, which is extensively used, requires no bleaching or beating as in the case of jute fibres and rice grass. Sizing is applied by hand and the chief ingredient used for this process is wheat or rice flour.

4. The methods of production are still primitive; drying is done by sticking the sheets on the walls; smooth surface is obtained by rubbing with a stone; and cutting is done by clamping a number of sheets of paper between wooden boards and then applying a long knife in the manner of one using a spokeshave. During the rainy season the hand made paper industry is greatly handicapped as it is difficult for the paper to dry on the walls.

5. With these primitive methods and lack of adequate encouragement the result cannot be expected to bear comparison with machine made paper or imported hand made paper. The main defects of the United Provinces hand made paper are lack of uniform size, weight, thickness finish and colour. The paper is usually coarse and of heavy weight. The cost of production is much higher than that of mill made paper.

6. The industry is, however, now showing signs of revival and a certain amount of improvement is perceptible. At present it stands in great need of encouragement and adequate training in the art of handling improved appliances. The Provincial Government have already started a tuitional class for imparting instruction in hand made paper. This class under the guidance of a well qualified and trained instructor will tour the chief paper making centres and conduct classes by turns at each of these centres till such a period as the cottage workers have acquired a sufficient knowledge and skill in the manufacture of better quality paper. Besides this, the Provincial Government are offering every possible encouragement by purchasing its requirements as far as possible from the cottage workers.

(11) *Letter No. V. O. 555/XVIII-390, dated the 28th March, 1938, from the Government of the United Provinces, Industries Department, Lucknow.*

Subject:—PROTECTION TO INDIAN PAPER INDUSTRY.

I am directed to forward herewith for the information of the Tariff Board, a copy of note by the Director of Industries, United Provinces, regarding the collection of waste paper, rags, etc. and its supply to paper mills.

Enclosure I.

Copy of un-official No. 9457, dated the 25th February, 1938, from the Director of Industries to the Secretary, Industries.

Please refer to your U.O. No. 1142, dated the 24th February, 1938.

I am making inquiries whether there is any organised industry for the collection of waste paper, rags, etc., and its supply to paper mills, and shall let you know about it later on.

There is an arrangement with the Upper India Couper Paper Mills, Lucknow, to take without remuneration one trained student from our Technical and Industrial Institutions to undergo practical training in their works. But this is for training in mechanical engineering. So far there has been no demand for training in paper manufacture. But if the measures for the protection of this industry continue it is possible that a demand might spring up.

No complaints have so far been received about the levy of octroi, or terminal or toll taxes on grass and chemicals required for the manufacture of paper.

An instructor has been engaged with effect from 1st February, 1938 to try and improve the hand-made paper industry of this province. He has started his work at Muttra.

Several applications for grants have been received for paper manufacture specially from Kalpi and Muttra. They will be considered along with other applications for grants to be given out of the provision of one lakh of rupees.

It is also proposed to give a short-term foreign scholarship to one Mr. Vaidya Bushan Rastogi for paper technology including the processes and technique of hand-made paper industry.

Enclosure II.

Copy of U. O. No. 10624/913-Ind., dated the 8th March, 1938, from the Director of Industries, United Provinces, to the Secretary, Industries Department, United Provinces.

Reference this office U. O. No. 9457/913-Ind., dated the 25th February, 1938.

From enquiries made at Cawnpore and Lucknow, it has been found that there is an organised industry in a few important towns of United Provinces for collection of waste papers, rags, etc., and their supply to paper mills. It is carried on as subsidiary to other occupations such as service and shop-keeping. Messrs. Jai Narain Bhargave, L. Narain Das of Kamla Tower (Hosiery Deptt.) and Hansraj & Co., are the well-known suppliers at Cawnpore. The sources of supply are the presses, book-binders' shops, tailoring shops, grain merchants (for old gunny bags), etc. The suppliers visit these places usually once or twice a month and buy waste paper and rags for cash. A certain number of poor people are also engaged by them for collecting these articles from houses and streets. In Lucknow, there is a private limited concern (Mathura Prasad & Co., Ltd.), which supplies rags, etc., to the Upper India Couper Paper Mills, Lucknow, and to other Mills. This concern has got a few collecting depôts in the United Provinces and has engaged rag collectors. There are also two or three persons who collect waste paper and rags in the same way as is done in Cawnpore and supply them to other paper Mills. The average price of waste paper is Rs. 2 per maund and that of rags Rs. 3 per maund. The representatives of some paper mills also occasionally visit important towns for arranging a regular supply. Mr. Raja Ram of the Deccan Paper Mills is one of them.

(12) *Letter No. 1040-I. & L. 38-6677, dated the 23rd February, 1938, from the Government of the Punjab, Electricity and Industries Departments, Lahore.*

With reference to the correspondence resting with your letter No. 176, dated the 10th February, 1938, to the Secretary to Government, Punjab,

Development Department, I am directed to state that Government Departments in the Punjab get practically all their supplies of paper from the Controller of Stationery, Calcutta.

2. As regards the other points raised in your letter No. 19, dated the 5th January, 1938, the information required is given below seriatim:—

- (1) There is only one paper and paper-pulp mill working in the Punjab, viz., the Shree Gopal Paper Mills, Limited, Abdullapur. Another Company named "Kashmir Kraft Paper Mills, Limited" is proposing to put up a factory near Jhelum for the manufacture of Kraft paper. Hand-made paper is also produced as a cottage industry in the Sialkot District, where about 15 persons are at present engaged in the industry.
- (2) The Mill at Abdullapur is working since 14th April, 1937.
- (3) So far as the Punjab Government are aware, no survey has ever been made of the bamboo grass or other materials available in the Province which could be utilized for the manufacture of paper. Enquiries made in the year 1936 revealed that there were no bamboo jungles in the Punjab other than at Kharanpur and Bindraban near Zukerian, North Western Railway, the outturn of which was sold in the general market at rates which prohibited its use as pulp. About 11,000 acres of land in Kalesar Reserved Forests, Ambala Division, were also under cultivation for the production of *bhabbar* grass for use by the paper mills at Abdullapur.
- (4) The Punjab Public Works Department, Electricity Branch operates the Uhl River Hydro-Electric Scheme. But this is at present confined to the central districts.
- (5) The Punjab Pulp and Paper Mills Company, Limited, which originally owned the Jagadhri mill and has gone into liquidation, were granted the under mentioned concessions:—
 - (i) The right of utilizing the water power available from the Western Jamna Canal for the development, generation and production of Hydro-Electric energy required for the manufacture of paper and other allied industries for a period of 25 years.
 - (ii) The right to cut and collect, store, remove, appropriate or otherwise dispose of, cultivate harvest or improve a kind of grass known as *bhabbar* grass, growing in Kalesar Reserved Forests, Ambala Division, covering an area of 11,000 acres for a period of 25 years.
 - (iii) Acquisition of land for the purposes of the Company under the Land Acquisition Act, 1894.
 - (iv) Supply of Canal water at reduced rates.
 - (v) Facilities in connection with the use of certain roads.

3. The Kashmir Craft Paper Mills, Limited, have applied for assistance in acquiring land for their proposed mill in the Jhelum District. Their application is under consideration.

(13) *Letter No. 3692-L. S. G., dated the 29th March, 1938, from the Chief Commissioner, Delhi.*

With reference to your letter No. 19, dated the 5th January, 1938, I have the honour to say that this Administration obtains its supply of paper through the Controller of Printing and Stationery. As regards the development of paper and paper pulp industries in the Province the information on the points mentioned in paragraph 3 of your letter referred to above is as follows:—

- (1) & (2) There are no paper or paper pulp mills in the province. A card board factory is, however, in the course of construction at Shahdara.

- (3) The raw materials such as bamboo, grass, wood, etc., are not available in sufficient quantity to meet the needs of a paper or paper pulp mill.
- (4) A scheme for the development of electric power is under consideration.
- (5) No assistance has been given to any mill as none exists at present.
2. I have no comments to offer on the questionnaires issued by your Board to manufacturers, etc.
3. With reference to your letter No. 176, dated the 10th February, 1938, there is at present no hand made paper industry in Delhi. The production of hand made paper on a limited scale is carried on in the District Jail to meet the requirements of local Government departments only.

(14) *Letter No. 6157-DD-9/28, dated the 19th February, 1938, from the Government of the North-West Frontier Province, Development Department, Peshawar.*

With reference to your letter No. 19, dated the 5th January, 1938, to the address of the Revenue and Divisional Commissioner, North-West Frontier Province, I am directed to state that the stationery requirements of this Province are obtained through the Controller of Printing and Stationery. I am to add that there are no paper and paper-pulp industries in this Province and this Provincial Government has no comments to offer on the set of questionnaires forwarded with your letter No. 48, dated the 10th January, 1938.

(15) *Letter No. 494-C, dated the 7th April, 1938, from the Government of Sind, Finance Department, Karachi.*

Subject:—PAPER INDUSTRIES—MEASURES TO PROTECT THE.

I am directed to enclose five copies of a statement giving the necessary information in regard to purchases of paper in respect of the year 1937-38. Information in respect of the previous years is not available as prior to 1st April, 1936, the supply was made by the Superintendent, Government Printing and Stationery, Bombay.

2. Five copies of a report received from the Assistant Director of Industries, Sind, in regard to the information required in paragraph 3 of your letter No. 19, dated the 5th January, 1938, are also enclosed.

3. There is no hand-made paper industry at present in Sind.

Enclosure I.

Indian Manufactured Papers.

Class of paper.	Quality of paper.	Quantity.		Price.	
		Reams.	Rs.	A.	P.
Printing paper.	1. Green Cartridge paper 60 lbs.	5	72	8	0
	2. Magenta Cartridge paper 60 lbs.	5	72	8	0
	3. Blue Cartridge paper 60 lbs.	5	72	8	0
	4. Yellow Cartridge paper 60 lbs.	2	29	0	0
	5. Pink Cartridge paper 60 lbs.	2	29	0	0
	6. Blue Paper D'ble F'cap 28 lbs.	7	56	14	0
	7. Green Paper 20 lbs.	3	24	6	0
	8. Printing Paper D'ble Demy 42 lbs.	50	415	10	0
	9. Printing Paper Quad F'cap 48 lbs.	300	2,850	0	0

Class of paper.	Quality of paper.	Quantity.	Price.
		Reams	Rs. A. P.
Printing paper.	10. Printing Paper Quad F'cap 40 lbs. . .	250	1,947 4 8
	11. Printing Paper D'ble Royal 56 lbs. . .	50	494 12 8
	12. Printing Paper D'ble Super Royal 42 lbs. . .	25	207 13 0
	13. Badami Paper Supr. D'ble F'cap 18 lbs. . .	400	1,387 8 0
	14. Badami Paper Q. F'cap 36 lbs. . .	50	346 14 0
	15. Badami Paper Q. F'cap 40 lbs. . .	50	385 6 8
	16. Badami Paper Q. F'cap 48 lbs. . .	100	925 0 0
	17. Badami Paper Infr. Q. F'cap 40 lbs. . .	600	3,687 8 0
	18. Badami Paper Infr. Q. F'cap 48 lbs. . .	400	2,950 0 0
	19. Badami Paper Infr. Q. F'cap 36 lbs. . .	50	276 9 0
	20. Azure Laid Paper D'ble F'cap 30 lbs. . .	50	339 13 0
	21. Azure Laid Paper D'ble Crown 38 lbs. . .	15	129 2 3
Miscellaneous paper Binding and wrapping.	22. Cream Laid Paper D'ble Demy 42 lbs. . .	20	166 4 0
	1. Kraft Paper D'ble Super Royal 110 lbs. . .	137	3,296 9 0
	2. Kraft Paper D'ble Super Royal 60 lbs. . .	10	131 4 0
	3. Kraft Paper D'ble Royal size 35 lbs. . .	68½	524 7 3
	4. Kartridge Paper A Quality 34 lbs. . .	12	114 12 0
Writing paper.	5. Brown Thick	40	260 0 0
	1. Badami 6 lbs.	5,510	6,375 0 0
	2. Badami 12 lbs.	585	1,355 0 0
	3. Cream Laid 6 lbs.	3,025	3,600 0 0
	4. Cream Laid 12 lbs.	560	1,330 0 0
	5. Cream Wove 7 lbs.	1,700	2,870 0 0
	6. Cream Wove 14 lbs.	400	1,255 0 0
	7. Typewriting Paper 4 lbs.	1,105	1,200 0 0
Blotting paper.	8. Typewriting Paper 3 lbs.	1,688	1,365 0 0
	1. Blotting Paper 38 lbs.	110	1,100 0 0

Enclosure II.

Imported Papers.

		£ s. d.
Printing paper.	1. D'ble F'cap hand-made paper 30 lbs. 40 Reams	103 6 8
	2. Lancashire Ledger Paper Quad F'cap 60 lbs. 5 "	13 15 0
	3. D'ble Crown C. W. 70 lbs. 10 "	40 0 0
	4. Water marked Paper D'ble F'cap 24 lbs. 5 "	4 9 2
	5. Cardboards white 8 sheets 300 Nos.	1 12 9
	6. Cardboards white 6 sheets 300 "	1 7 0
	7. Cardboards white 4 sheets 300 "	1 4 0
	8. Cardboards Pink 200 "	0 14 5
	9. Cardboards Blue 200 "	0 14 5
	10. Cardboards Yellow 200 "	0 14 5
	11. Cardboards Green 200 "	0 14 5

Class of paper.	Quality of paper.	Quantity.	Price.		
			£	s.	d.
Miscellaneous paper for binding.	1. Marble Crown size	4 Reams	2	15	0
	2. Marble slate coloured Imperial size	10 „	8	19	2
			<hr/>		
			180	6	9
Blotting paper.	Blotting Paper Ford	33 „	264	0	0
Writing paper.	1. " Luna " Bond Paper, Medium	30 „	247	8	0
	2. Cream Wove 7 lbs.	1,009 „	2,500	6	0
	3. Cream Wove 14 lbs.	200 „	1,000	0	0

Enclosure III.

Letter No. 3476 of 1938, dated the 7th February, 1938, from the Assistant Director of Industries, Sind, Karachi to the Government of Sind, General Department, Karachi.

With reference to your endorsement No. 353-R/38, dated the 20th January, 1938, calling for my report on the copy of extract of letter No. 19, dated the 5th January, 1938, from the Secretary, Tariff Board, Poona, I have the honour to state as under:—

1. There are no such mills in this Province.
2. Does not arise.
3. (a) In Sind there are good quantities of rice husks, etc., available and these could be utilized for manufacture of straw-boards.
(b) Also there are quantities of waste paper from Government Departments and if a survey of this was made it is possible that there would be sufficient raw material for a paper mill.
4. No hydro-electric scheme have yet come into existence and investigations are being made for a generating scheme by Public Works Department (Electrical Engineer Department).
5. As no person have yet come forward to start a paper mill granting concessions or direct financial aid has not been considered.

(16) Government of Bombay.

A.—WRITTEN.

(a) *Letter No. 8435-II-D, dated the 2nd March, 1938, from the Government of Bombay, General Department, Bombay.*

With reference to your letters Nos. 19 and 48, dated the 5th January and 10th January, 1938, respectively, I am directed to forward herewith copies of (i) a letter from the Superintendent, Government Printing and Stationery, Bombay, No. A. B. 3476, dated the 8th February, 1938 and its accompaniments and (ii) a letter from the Director of Industries No. I. C. 134-2510, dated the 25th February, 1938, which furnish the information required by you. The comments of the Government of Bombay on the points raised in the questionnaire issued by the Tariff Board will be forwarded at a later date. Four spare copies of this letter and its accompaniments are enclosed herewith, as desired.

Enclosure 1.

Letter No. A. B. 3476 of 1937-38, dated the 8th February, 1938, from the Superintendent, Government Printing and Stationery, Bombay, to the Government of Bombay, General Department, Bombay.

Subject:—REGARDING PURCHASE OF PAPER—FOREIGN AS WELL AS INDIAN-MADE.

With reference to G. M., G. D., No. 8435-II-D, dated the 19th January, 1938, I have the honour to forward herewith two statements marked "A" and "B" on the subject referred to and to report as under:—

Statement "A" relates to the Indian manufactured papers, while statement "B" refers to the Foreign manufactured papers (1) obtained through the Director General of Stores, London and also (2) those purchased locally.



Statement showing the quantities and values of Indian Manufactured papers of different kinds purchased during the last six years, viz., 1931-32 to 1936-37.

Description of papers.	1931-32.		1932-33.		1933-34.		1934-35.		1935-36.		1936-37.	
	Quantity.		Quantity.		Quantity.		Quantity.		Quantity.		Quantity.	
	Tons.	Value. Rs.	Tons.	Value. Rs.	Tons.	Value. Rs.	Tons.	Value. Rs.	Tons.	Value. Rs.	Tons.	Value. Rs.
Azure Laid .	12	6,720	5	2,858	4	2,287	6	3,150	9	4,725	13	6,825
Badami, Inferior .	141	55,931	144	58,800	177	71,243	164	59,313	204	76,160	278	1,03,787
Badami, Superior .	185	85,254	194	91,665	185	85,254	172	74,247	183	78,995	241	1,04,032
Blotting, Ordinary	8	5,040	11	6,802	..	..	8	4,480	10	5,600	..	..
Cartridge, Brown .	29	10,150	2	630	3	945	3	875	3	875	4	1,167
Do., White .	6	2,940	3	1,523	1	473	3	1,295	7	3,022	6	2,590
Cream Laid .	44	22,073	34	16,065	22	10,395	52	23,053	47	20,837	66	29,260
Cream Wove .	43	24,080	52	29,120	16	8,960	25	14,292	30	17,150	45	25,725
Impression Paper (for Duplicators).	9	5,250	8	4,480	8	4,200	11	5,390	9	4,410	13	6,825
White Printing .	139	68,110	124	60,306	130	61,425	107	47,437	111	49,210	164	70,140
Coloured Printing .	1	478	..	..	..	..	5	2,194	..	..	3	850
Glazed Printing .	1	519	5	2,479	1	490	8	3,547	10	4,433	12	5,320
Typewriter .	10	6,300	7	4,288	15	8,750	12	6,720	10	5,600	18	10,080
Straw Boards .	..	..	..	..	68	7,380	57½	6,283	34	3,863	..	..

Statement showing the quantities and values of foreign manufactured papers of different kinds purchased from local firms and also obtained through the Director General of Stores, London, during the last six years, viz., 1931-32 to 1936-37.

Description of papers.	1931-32.		1932-33.		1933-34.		1934-35.		1935-36.		1936-37.	
	Value.		Value.		Value.		Value.		Value.		Value.	
	Quantity.	Ton. Lbs.	Quantity.	Ton. Lbs.	Quantity.	Ton. Lbs.	Quantity.	Ton. Lbs.	Quantity.	Ton. Lbs.	Quantity.	Ton. Lbs.
Art Paper . . . . .	.. ..	..	.. ..	..	.. ..	..	0 300	121	.. ..	..	0 300	124
Azure Laid	13 0	8,913	.. ..	..	.. ..	..	.. ..	..	.. ..	..	.. ..	..
Bank Paper	0 1,552	1,193	2 494	3,593	2 1,018	4,258	0 1,300	944	2 164	3,514	.. ..	..
Cream Laid . . . . .	.. ..	..	21 0	9,923	.. ..	..	.. ..	..	.. ..	..	.. ..	..
Cream Wove	3 0	3,462	1 0	1,251	5 0	5,333	3 0	3,319	6 0	6,916	10 0	10,758
Grey (for Air Mail letters).	0 290	103	.. ..	..	.. ..	..	.. ..	..	.. ..	..	.. ..	..
Hand-made	0 1,890	2,412	1 394	3,092	1 652	8,215	0 374	395	1 1,613	4,897	3 458	7,321
Kraft Paper	80 0	25,155	83 0	24,069	25 0	6,728	63 0	17,168	69 0	18,894	45 0	12,940
Kraft Ribbed Sulphite White, thin	.. ..	..	.. ..	..	1 1,750	547	4 512	1,186	4 1,338	1,303	4 1,661	1,394
Lancashire Ledger	.. ..	..	.. ..	..	0 1,090	771	5 1,469	4,479	4 0	6,289	3 1,287	5,650
Manilla Paper . . . . .	.. ..	..	0 1,640	332	.. ..	..	.. ..	..	.. ..	..	.. ..	..
Marble Paper . . . . .	.. ..	..	.. ..	..	.. ..	..	0 42	44	0 414	332	0 220	273

Enclosure 2.

- (a) *Letter No. I. C. 134-2510, dated the 25th February, 1938, from the Director of Industries, Bombay, to the Government of Bombay, General Department, Bombay.*

With reference to Government endorsement, General Department, No. 8435-II-D, dated the 19th January, 1938, I have the honour to give below the information required by the Tariff Board in paragraph 3 of their letter, dated the 5th January, 1938:

- (1) There are 4 paper mills in the Bombay Presidency. There are no paper pulp mills in the Presidency at present. As far as this Department is aware, no paper mill or paper pulp mill is projected so far other than those 4 existing at present.
- (2) Out of these 4 existing mills, 3 mills are working. Out of these 3, one came into existence after 1931-32. It is doubtful if the mill, which is not working at present, will resume work in the very near future.
- (3) The areas in which bamboos are available in sufficient quantities to meet the needs of a paper or paper pulp mill are situated in the Kalinadi Valley and the Gangavali Valley in the North Kanara District of the Bombay Presidency. Suitable grass in sufficient quantity has not so far been reported to have been found in this Presidency for the production of paper pulp.
- (4) No hydro-electric or other electric power development schemes have come into existence or are in contemplation which are likely to assist the opening of a new mill.
- (5) Except for buying of paper requirements of the Government from the paper mills in the Presidency, no assistance has been given to any mill in the form of concessions or direct financial aid.

- (b) *Letter No. I. C. 134/3660, dated the 22nd March, 1938, from the Director of Industries, Bombay.*

When I gave my evidence before the Tariff Board on Tuesday, the 15th March, 1938, the Board wanted to know the names of the important species of bamboos found in abundance in this Presidency. The species in question are follows:—

- (1) *Bambusa arundinacea*;
- (2) *Dendrocalamus strictus*.

- (c) *Letter No. 8435-II-D, dated the 27th April, 1938, from the Government of Bombay, General Department, Bombay.*

With reference to your letter, No. 48, dated the 10th January, 1938, and in continuation of this Department letter No. 8435-II-D, dated the 2nd March, 1938, I am directed to state that the Government of Bombay have no remarks to offer on the detailed questionnaire issued by the Tariff Board in so far as it relates to the paper manufacturing concerns.

2. The information called for in your letter No. 176, dated the 10th February, 1938, will be forwarded to you as soon as possible.

- (d) *Letter No. 8435-II-D, dated the 11th May, 1938, from the Government of Bombay, General Department, Bombay.*

With reference to your letter, No. 176, dated the 10th February, 1938, and subsequent express letter, No. 434, dated the 21st April, 1938, I am directed to forward herewith a note relating to the condition of Hand-made Paper Industry in the Bombay Province for the information of Tariff Board.

Hand-made Paper Industry.

The hand-made paper industry is one of the oldest industries of the Province of Bombay. The manufacture of hand-made paper was, as a matter of policy, encouraged by the past rulers, and so it was at one time a flourishing industry. The chief centres of hand-made paper in the past were: (1) Roje, (2) Ahmedabad, (3) Erandol, (4) Junnar, (5) Nasik, (6) Poona, (7) Bijapur, (8) Gokak and (9) Talikot. Since the coming of the machine-made paper, the hand-made paper industry has dwindled down and out of more than 1,000 families that were engaged in the manufacture of paper, some 60 or 70 years ago, there are at present only 13 or 14 families which are hardly able to eke out a living from this industry. At present hand-made paper is made at Ahmedabad, Erandol in the East Khandesh District and Junnar in the Poona District.

Formerly hand-made paper was made from jute or gunny bags as well as from waste paper; but at present almost all the hand-made paper is produced from waste paper and press cuttings. The method of making paper from waste paper and press cuttings is as follows:—

The paper from the old account books, waste paper from the various offices and press cuttings are mixed in a certain fixed proportion and then torn up into small pieces. The pieces are then mixed with water and rubbed on a rough concrete surface by hand till they become a mass of damp pulp. The pulp is taken to a place where there is water and put into a cotton cloth and washed. After washing, the pulp is mixed with country soap and washed a second time. At some places, especially Ahmedabad, they use bleaching powder for bleaching the pulp. The pulp is then suspended in a large quantity of water in concrete vats and lifted on bamboo screens. The wet papers so obtained are then dried by fixing them on the wall with the help of a special broom. When the papers are dried they are given to women folk for finishing purposes. The finishing consists in the application of a sizing material on both sides of the paper. The sizing material consists mostly of a paste made out of cooked cereal flour. After the application of the size the papers are dried and after drying, the papers are again transferred to another batch of women workers for glazing purposes. The operation of glazing is carried out by rubbing the paper by means of a piece of smooth glass roller or a smooth granite stone. If the paper is to be used for blotting purposes it is not sized or glazed.

The total value of paper produced in the Province at present is estimated at about Rs. 10,000 per year. The hand-made paper industry of this Province is at present in a bad condition. Due to the policy of the present Government and tendency at present of the public to buy hand-made paper, the condition of the hand-made paper workers is slightly improving as they are able to sell more paper than they used to do some 2 or 3 years ago. The Government of Bombay have under consideration schemes for the encouragement and improvement of the industry.

Evidence of Mr. P. B. ADVANI, Director of Industries, Dr. M. S. PATEL, Industrial Chemist, and Mr. J. A. NEALE, Superintendent of Government Printing and Stationery, on Tuesday, the 15th March, 1938.

B.—ORAL.

President.—The first question is about the quality of Indian paper. Do you think that the quality has improved in the last six years?

Mr. Neale.—Yes.

President.—Are you satisfied with the quality nowadays?

Mr. Neale.—Yes.

President.—The quality turned out by different mills varies a good deal.

Mr. Neale.—Yes.

President.—We understand they rather divide up the Government contracts.

Mr. Neale.—That has been the policy up to the moment. I am not giving any secrets away, but there is a possibility that the Bombay Government might give more of their orders to the mills in the Bombay Presidency, but that is of course confidential.

President.—Your main purchases are badami?

Mr. Neale.—Badami, white printing and a certain amount of Azure Laid.

President.—That is not very much.

Mr. Neale.—No.

President.—Cream Laid, Cream Wove and Duplicating paper.

Mr. Neale.—White printing and Badami are the big items.

President.—You are getting a certain amount of cartridge?

Mr. Neale.—Yes.

President.—Is it Drawing Cartridge?

Mr. Neale.—It is white cartridge.

President.—It is only a small quantity?

Mr. Neale.—Yes.

President.—The cartridge paper is not a good quality.

Mr. Neale.—It is a good cartridge paper. It is not a drawing cartridge, and that of course is not produced by the Bombay Presidency, but elsewhere.

President.—Do you get your badami white or coloured?

Mr. Neale.—Badami coloured, we have two qualities, superior and inferior. It is a question of price.

President.—You have given up buying blotting paper in the last year.

Mr. Neale.—That again is likely to be altered. The Indian made blotting paper that had been used for the last two years was not considered satisfactory and there were some complaints. So we went in for the English blotting. We have probably the same amount of complaint merely because of the cheap quality. As far as I can see the present market rate for blotting paper is Rs. 34 a ream. The expensive quality of Indian made blotting is Rs. 14 a ream.

President.—In the beaters they have special cutters. It wants a special preparation.

Mr. Neale.—Indian quality is suitable for ordinary use.

President.—As regards imports, strawboards in the principal item. Next to that comes packing and a certain amount of creamwove.

Mr. Neale.—Yes for writing. They are used for writing judgments, more or less permanent documents.

President.—Where do you get that from?

Mr. Neale.—From the D. G. of Stores, London. We shall in future always purchase from the Indian mills.

President.—Have you bought any Indian strawboards?

Mr. Neale.—We went into a contract for next year. We did purchase two years ago and it was extremely unsatisfactory. The sample supplied this year compared very very favourably with the imported ones.

President.—Where does that come from?

Mr. Neale.—From Saharanpur. The quality is extremely good.

Mr. Rahimtoola.—You buy the whole of Bombay Government's requirements?

Mr. Neale.—Yes.

Mr. Rahimtoola.—Do you buy any hand-made paper?

Mr. Neale.—Yes.

Mr. Rahimtoola.—What do you think of the quality of hand-made paper?

Mr. Neale.—What exactly you mean by quality?

Mr. Rahimtoola.—I mean how did the paper stand ink and durability compared to machine made papers. How many tons of these paper have you bought?

Mr. Neale.—Only a few reams for note papers and demi-official letter papers. There is a prospect that the use of that paper will increase in the future. Personally I don't like it. As a printer I would never like to use it.

President.—What is it mainly made of?

Mr. Neale.—Waste paper rags. It is so difficult to say what it is made of.

President.—It is made use for for writing.

Mr. Neale.—Yes, but I have some samples to-day which is somewhat an improvement on the qualities.

President.—Where do they come from?

Mr. Neale.—Junnar, Poona District. I am buying a small quantity.

Mr. Rahimtoola.—Before you place an order in India, do you give any particular specification?

Mr. Neale.—We generally get a sample. We say we want paper to that sample.

Mr. Rahimtoola.—To a particular specification.

Mr. Neale.—Yes.

Mr. Rahimtoola.—Do they have specially to make it?

Mr. Neale.—Yes. Sometimes they may have in stock another paper similar to that which they might ask us to substitute.

Mr. Rahimtoola.—I find that between the price quoted to you and the price they have been able to realise in the market there is a difference of two to three pios per lb. I want to know whether they are making special kinds of papers. In that case they may be incurring extra expenditure.

Mr. Neale.—It is not an usual market specification, something special. Government supplies are a little better than the usual market supplies.

Mr. Rahimtoola.—Have you bought hand-made paper from outside India.

Mr. Neale.—It is a very good paper. It is a very expensive paper. That is mainly used for High Court forms, Official Receivers' forms. All documents have to be permanent.

Mr. Rahimtoola.—It is more or less like parchment paper.

Mr. Neale.—It is not a parchment paper. It is more or less a permanent paper, an expensive hand-made paper.

Mr. Advani.—Hand-made paper is made from wastepaper, whereas hand-made paper which he imports is made from waste linen.

Mr. Rahimtoola.—That is definitely an expensive paper.

Mr. Neale.—Yes, what is called a permanent paper. It lasts for a very long time.

Mr. Rahimtoola.—Can we generally say, that the papers imported by your Government are those that are not manufactured in India?

Mr. Neale.—Up till recently yes, but the policy now is to try and find suitable substitutes for them and that is being tried now. For every paper that I want I have Government orders to the effect that I must endeavour to find a similar paper in India, if not something which we consider would be a substitute for it. For instance for kraft paper we use Indian made brown paper. I brought to the notice of the Government the difference between the two in respect of strength. I don't consider it as a suitable substitute for kraft, but then Government might say in order to encourage the Indian industries, we have got to use it, though from my point of view or the technical point of view, it is not a good substitute.

Mr. Rahimtoola.—We have also seen the samples of brown and kraft. There is a marked difference between the two.

Mr. Neale.—Quite.

Mr. Rahimtoola.—I suppose the system is to invite tenders?

Mr. Neale.—Yes.

Mr. Rahimtoola.—They give you the price at which they are able to deliver.

Mr. Neale.—Yes.

Mr. Rahimtoola.—And they deliver them in Bombay.

Mr. Neale.—Yes.

Mr. Rahimtoola.—It does not matter by whom it is delivered. It may be delivered by any of the existing mills.

Mr. Neale.—We make a contract with the members.

Mr. Rahimtoola.—With the Association?

Mr. Neale.—With the individual mills.

Mr. Rahimtoola.—Do they tender individually?

Mr. Neale.—They all quote the same price, but I deal with the individual mills, but the contract price covers free delivery at my place.

President.—It might make a difference.

Mr. Neale.—I ask them to quote a price free delivery.

President.—You speak of four paper mills in the Bombay Presidency, i.e., the Deccan Paper Mills—2, Guzerat Paper Mills—1. Which is the fourth one?

Mr. Advani.—Girgaum Paper mills.

President.—It was actually working when I saw in January.

Mr. Advani.—Yes.

President.—There is no other paper mill?

Mr. Advani.—No.

President.—That only makes certain boards for ginning presses.

Dr. Patel.—They make all kinds of packing sheets. They may sometimes make brown paper. They don't work all the year round.

President.—As regards raw material you say that bamboo is available in sufficient quantities in North Kanara District.

Mr. Advani.—We hope to have a survey made in order to know definitely the quantity of bamboo which will be available annually for pulp making

and the number of years for which the same will be available. At present so far as our information goes, we feel that enough quantity is available, but that is subject to a specific survey which we expect to make during the year.

President.—For a paper mill or pulp mill?

Mr. Advani.—For a pulp mill leading to a paper mill. We hope to have a survey made of the bamboos available or rather the quantity of bamboos available per year and the number of years for which these quantities will be available. We will then see which of the processes for the manufacture of pulp can be economically adopted and whether it would be economical to have a factory established for making pulp and if so in which part of the Bombay Presidency.

President.—If it goes to be a pulp mill, how would the pulp be utilised?

Mr. Advani.—For making paper.

President.—Where?

Mr. Advani.—At present practically in all the mills paper is made from waste paper and from rags.

President.—We have got all the information. You would supply pulp to the Deccan Paper Mills and possibly the Guzerat Paper Mills, is that the idea?

Mr. Advani.—Yes. Also possibly at the pulp mill there may be a paper section.

President.—Is it the intention of the Government to run a paper mill by themselves?

Mr. Advani.—I would not say that. At present nothing has been decided. We are going to carry out this investigation and if our investigation shows that it is an economic proposition, it will be time for us to consider the matter further. Government may start the factory or they may consider the question of giving some financial help either by purchase of some shares or otherwise to a private party willing to start a pulp mill.

Mr. Rahimtoola.—Can you give us an approximate idea when the Government are likely to formulate their views? How long will the survey take?

Mr. Advani.—There exists a provision in the budget for this investigation. That budget is before the Legislature.

Mr. Rahimtoola.—Suppose it is passed?

Mr. Advani.—If it is passed, we hope to complete this preliminary investigation during the coming financial year.

Mr. Rahimtoola.—That is by 31st March, 1939.

Mr. Advani.—That is so. The Chief Conservator of Forests will actually carry out the survey and we will have a large quantity of the bamboo railed to the Dehra Dun Institute. We have made arrangements with the Dehra Dun Institute to make pulp out of that and let us know the cost of making pulp from our bamboo. Then we will go into the question of railway freight and other factors and see at what cost pulp can be manufactured in our area.

President.—What are the species of bamboo in that area? Can you tell me?

Mr. Advani.—I shall supply the information later.

President.—You are no doubt aware that the Mysore Government is putting up a mill at Bhadravati. That will to some extent compete in your area.

Mr. Advani.—It may. On the other hand I think there is great scope. The total quantities which will be produced by Mysore and in our factory, are fairly limited.

President.—I am not thinking of the supply of bamboo. I am thinking of the marketing of paper. The mill in North Kanara would be more or less competing with Mysore.

Mr. Advani.—I will not say that we will have a pulp mill definitely at Kanara. It is a matter for consideration whether it cannot be established anywhere else nearer the consuming centre. It is a matter which has to be gone into whether it is more economic from the point of view of availability of raw material and sale of pulp to establish a mill at the place where bamboo is available or at some other place where pulp will be actually consumed.

Mr. Rahimtoola.—It is too early to say anything definite.

Mr. Advani.—Yes that is one of the points to be investigated.

President.—You don't think that there is sufficient grass available.

Mr. Advani.—Our present information is that it is not available.

President.—The Gujerat Paper Mills which I visited the other day informed us yesterday that they hoped to get sufficient quantities of bamboo. At any rate, they are investigating the possibility or rather the probability in the Surat area. Do you know anything about the supply available there?

Dr. Patel.—In that area we have two Indian States, viz., Banda and Dharampur. There is also the Baroda State near by. In the forests of those States they have bamboos but we do not know at what price they will be able to get it.

President.—The Mills gave us the price and also said that they would be able to get it within a radius of about 45 to 48 miles.

Dr. Patel.—They have extended the railway line during the last 4 years. They may have to transport it for about 15 to 16 miles and then they can rail it from there, transhipping at Bilimora on the main line.

Mr. Advani.—That also has not been investigated fully.

Dr. Patel.—It was investigated about 16 years ago by Mr. Raitt and he made a mention of it. I think one company was actually formed on that basis and then of course, it did not materialise.

President.—Who were the managing agents?

Dr. Patel.—It was sponsored by men like the late Sir Lallubhai Samaldas. There was also a scheme in North Canara in which the a well-known firm in Bombay, were interested.

President.—Can you give us some information about the hand-made paper, where it is manufactured and so on?

Mr. Advani.—At present in the Bombay Presidency, one of the principal centres of manufacture is Junnar in the Poona District.

President.—Is that the only place where it is manufactured?

Dr. Patel.—There are three places where paper is manufactured by hand viz., Ahmedabad, Erandol in the East Khandesh District and Junnar. There are altogether 14 hand-made paper makers.

Mr. Advani.—The total number of places in which paper was originally made by hand in the Presidency was much larger than the three we have mentioned. Then paper was being made in the Southern Division, in the Central Division and also in the Northern Division, that is, in all the three Divisions of the Presidency. At present the industry is found only in the three places which we have just mentioned, viz., Ahmedabad, Erandol and Junnar. I sent Dr. Patel recently to look round and I have myself been to Junnar.

President.—How many people are there employed?

Mr. Advani.—I don't think that there would be more than 6 houses in Junnar. Taking 4 or 5 members per house or family, the total number would be about 30 people. It is therefore that Mr. Neale is not able to get any large quantity of hand-made paper so far as this Presidency is concerned. We have under consideration the question of helping hand-made paper workers partly by the purchase of such papers as are available, partly by technical demonstrations and partly also by financial assistance.

in the form of giving improved appliances to workers. It is intended that we will give this assistance to the industry not only in those three places which we have mentioned but also possibly in some other centres where the industry does not exist any longer but where it did exist and where it may be revived amongst the people who practised this industry before.

President.—How many people are employed in the other places mentioned by you?

Dr. Patel.—It is very difficult to say. There are 14 establishments & establishments in Junnar, 6 in Erandol and 2 in Ahmedabad. If you take an average of 4 to 5 people per establishment, it would be about 70 people in all.

President.—What is the quantity of paper produced? Have you any idea?

Mr. Advani.—Approximately the value is I think about Rs. 10,000 per year. This figure cannot be very definite.

Dr. Patel.—I think in Ahmedabad they produce about Rs. 4,000 worth of paper.

President.—The Guirat Paper Mills are actually making hand-made paper.

Mr. Advani.—I am talking of cottage workers.

President.—Is the material used only waste paper?

Dr. Patel.—At present, yes. Formerly they were making it from gunny bags and partly from waste paper.

President.—Now it is only waste paper.

Dr. Patel.—The cost of pounding has gone up. Generally they buy old account books which their forefathers supplied to those people. Ordinarily it takes about 15 or 16 years for the account books to come back. These people go and sell the paper and at the same time bring back old account books at a very low rate from the same people to whom they sell the hand-made paper.

President.—Do they generally use hand-made paper for account books?

Dr. Patel.—Yes, for account books. In Erandol, they make paper in a certain season and when the monsoon comes, they go and sell paper. When they sell it, they bring back old account books which they turn into new paper again.

Mr. Advani.—A certain quantity of ordinary waste paper is also used. That is one of the directions in which we intend helping viz., in the distribution of Government waste paper free.

President.—At present the paper is going round and round.

Mr. Advani.—Yes, and it deteriorates.

President.—Have you ever thought of supplying any other material for the use of these workers? I ask this question because a suggestion has been made that possibly in some central pulp factory pulp might be made and sent out for the manufacture of hand-made paper as a cottage industry.

Mr. Advani.—The difficulty arises there that some people claim that if pulp made in a central factory is the principal material used, the paper turned out of that ceases to be hand-made paper.

President.—What about waste paper?

Mr. Advani.—They are not prepared to carry their argument to that extent.

President.—Is it not a concession to wastepaper?

Mr. Advani.—I do not follow their reasoning. But at present we have not under consideration the question of supplying pulp from a central factory to hand paper makers.

President.—You might say that paper manufactured out of bamboo or grass pulp is more indigenous than wastepaper which might have come from foreign countries.

Mr. Advani.—Quite so.

President.—Do you think that it is only a question of using waste paper?

Mr. Advani.—At present, that is the position.

Dr. Patel.—They are of course trying to make pulp by digesting grass, old hemp, etc., but I don't think that they will be able to do it economically.

President.—Do you mean that they are making some sort of chemical pulp?

Dr. Patel.—They are making that pulp and finding it difficult. They can only go on like that where the question of economics is not one of importance.

Mr. Advani.—So far as hand-made paper is concerned, mechanical pulp is not used. It is not intended to supply pulp from a central factory. At present the intention is to supply wastepaper.

President.—They simply damp it and knead it up.

Mr. Advani.—That is all.

Mr. Rahimtoola.—How do you arrive at this figure of Rs. 10,000?

Mr. Advani.—That is merely based upon an estimate prepared by us.

Mr. Rahimtoola.—You must have valued it in some way.

Mr. Advani.—That is so. Mr. Neale would be able to give you the prices.

Mr. Neale.—It is Rs. 10 a ream of 480 sheets.

President.—It is rather expensive.

Mr. Neale.—Yes.

Mr. Rahimtoola.—It will be over Rs. 500.

Mr. Neale.—I have asked them to give me a ream of 24 lbs. They say that they cannot do it. Obviously they cannot do it to any standard.

President.—Have they got cutting machines?

Dr. Patel.—No. They cut it by hand. They polish it also by hand. It is a laborious process. One family makes the paper and sends it to the womenfolk in the next house where they apply sizing and hang it on strings tied to walls for drying. After drying, it goes to a third house where the womenfolk rub it with a stone and glaze it.

Mr. Neale.—When they come to sell, I cannot always purchase the stuff which is made in the Presidency. A certain percentage is made outside the Presidency.

Mr. Advani.—A certain amount comes from the Hyderabad State.

Mr. Rahimtoola.—Does it come from Hyderabad Deccan?

Mr. Advani.—Yes, from Daulatabad. Probably in Daulatabad there are about 70 families.

Mr. Rahimtoola.—That is about 500 or 600 people are employed.

Mr. Advani.—Yes.

President.—Do they also use waste paper?

Dr. Patel.—Yes, and old account books.

Mr. Advani.—That is the only possibility for them. In England or Scotland I understand, pulp is supplied from a Central Factory and hand-made paper is made out of that.

President.—That suggestion was made to us elsewhere as a possibility. That is why I mentioned it.

Mr. Advani.—The present difficulty is that it is not considered as hand-made paper.

Mr. Rahimtoola.—Government can not make up their mind until they know about the future of the pulp industry.

Mr. Advani.—It is under consideration.

President.—Another difficulty about the central factory is the cost of transport to different centres which might be expensive.

Mr. Advani.—Arrangements could be made for the supply of pulp from existing paper factories. For instance, if this suggestion were accepted, one could possibly make arrangements with the Deccan Paper Mills in Poona to supply pulp to Junnar. I don't think that the Mills would seriously object to that. As a matter of fact, when I was talking to them, they said that they would render such help as they could. But then there has been this difficulty whether they could be helped in that way or not.

Mr. Rahimtoola.—The class of paper that they make is white writing.

Mr. Neale.—Yes.

Mr. Rahimtoola.—Any kind of blotting paper?

Mr. Advani.—Yes a certain amount of blotting paper. At present I think we are using hand-made paper for D.O. letters.

Mr. Rahimtoola.—Can you supply us with samples?

Mr. Neale.—Yes.

Mr. Rahimtoola.—We have also received certain samples hand-made papers in Lucknow.

Mr. Advani.—You wish the price to be marked?

Mr. Rahimtoola.—Yes, if it is possible.



सत्यमेव जयते

- (17) *Letter No. 2211—66-VII, dated the 21st January, 1938, from the Government of the Central Provinces and Berar, Commerce and Industry Department, Nagpur.*

I am directed by the Governor of the Central Provinces and Berar to refer to your letter No. 19, dated the 5th January, 1938, on the subject noted above and to say that this Government obtains its supply of paper through the Controller of Printing and Stationery and there is no paper or paper pulp industry in this province.

- (18) *Letter No. 596—99-VII, dated the 18th February, 1938, from the Government of the Central Provinces and Berar, Commerce and Industry Department, Nagpur.*

Subject:—PROTECTION OF THE BAMBOO PAPER AND PAPER PULP INDUSTRIES.

I am directed by the Governor of the Central Provinces and Berar to refer to your letter No. 48, dated the 10th January, 1938, on the subject noted above and to say that this Government has no comments to make on the questionnaires issued by the Tariff Board.

- (19) *Letter No. 857—66-VII, dated the 9th March, 1938, from the Government of the Central Provinces and Berar, Commerce and Industry Department, Nagpur.*

Subject:—HAND-MADE PAPER INDUSTRY.

I am directed by the Governor of the Central Provinces and Berar to refer to your letter No. 176, dated the 10th February, 1938, on the subject noted above and to say that hand-made paper is not manufactured in this province on a commercial scale at present. It is, however, manufactured at the All-India Village Industries Association, Wardha, for training students in the art of making paper by hand.

- (20) *Letter No. 98-II/38—6, dated the 25th February, 1938, from the Government of Madras, Development Department, Madras.*

TARIFF BOARD—ENQUIRY—PAPER AND PAPER PULP INDUSTRY—PROTECTION.

With reference to your letter No. 176, dated the 10th February, 1938, I am directed to enclose a copy of letter No. 827-A./38, dated the 19th February, 1938, from the Director of Industries, Madras, giving information regarding the condition of hand-made paper in the Madras Presidency.

Enclosure.

Copy of letter from the Director of Industries, No. 827-A./38, dated the 19th February, 1938.

**POSITION OF HAND-MADE PAPER INDUSTRY IN THE MADRAS PRESIDENCY—
INFORMATION REQUIRED BY THE TARIFF BOARD IN REGARD TO—SUBMITTING—
REFERENCE GOVERNMENT ENDORSEMENT No. 98-II/38—5, DATED THE 16TH
FEBRUARY, 1938.**

The manufacture of rough paper was formerly carried on at Nyamadala, a village 15 miles from Dharamavaram in the Anantapur District. The industry is said to have been in a flourishing condition at one time when there was a demand for the paper from Bellary. The industry declined gradually, however, and died out some twenty years ago. It was resuscitated about 14 or 17 years ago by a Bellary merchant who made advances to the

workers, but after a time the merchant finding no sales for the paper gave up the business. An attempt was again made in 1926 by the Anantapur District Co-operative Bank to revive the industry by advancing a loan of Rs. 100 to the workers and contracting with them to purchase paper at Rs. 2 per 10 dozens of double foolscap size. After the contract was finished, no further work was given and the attempt to revive the industry seems to have been abandoned, probably because the hand-made paper was unable to compete with the machine made product.

2. So far as information is available, hand-made paper is now produced in this presidency only at Amanjikarai near Poonamalle where hand-made paper is made by two brothers, named (i) Angamuthu Mudaliar, and (ii) Govinda Mudaliar, in two separate establishments. The production of hand-made paper is about 32 tons a year. It is understood that the manufacturing cost per ream of paper is Rs. 2-0-3 and that the selling price is Rs. 2-4. Thick boards are also being produced at Amanjikarai by four partners, namely Varadarajulu Naidu, Manicka Naicker, Parthasarathy Naidu and Naduraju Mudaliar. The production of boards is about 134 tons a year. The Amanjikarai paper makers do not seem to be very optimistic in regard to the prospects of increasing the trade in hand-made paper, but they are unwilling to abandon this age long and hereditary industry.

3. The methods of manufacture followed at Amanjikarai are crude. Packing boards for the book-binders and rough sheets of paper for use in Elementary schools for copy writing are produced. The raw material is waste paper which is soaked in water in large brick tanks and allowed to soak for a day or two. When the material is sufficiently soft it is removed from the tanks and laid on the ground in a heap so as to allow water to drain off. Then the operator tramples on the heap with his legs until the mass becomes homogeneous and soft like pulp. The pulp is then taken to pits in the floor of the paper making room where the lumps are thoroughly mixed with water and agitated with a bamboo stick. The frame on which the sheet is made consists of a gauge of brass wire tied to a frame of bamboo sticks and over this another bamboo stick frame is placed. Holding the frame with both his hands, the paper maker dips the sieve into the vat containing the paper pulp and lifts it as quickly as possible removing with the sieve some pulp and water. The water drains itself off as the sieve is lifted and placed on the vat with a stick underneath the sieve and over the vat in order to prevent the sieve from falling into the latter. The paper maker also presses the water out by placing a thick and rough cloth over the sheet and rolling over it a stick in order to enable the water to drain quicker. The whole mould is then inverted with the sheet on so that the rough cloth will be bottom most and then the sheet over it; then the wire gauge and finally the frame. The frame is removed and then the wire gauge leaving the cloth and the sheet over the pile of sheets made previously. When all these sheets are ready they are taken to a press and the water inside is slowly pressed out. As the pressure is released, each sheet is removed and left to dry in the open sun. When the sheet is dry, a brush is taken and thick conjee from boiled rice is smeared over the sheet and passed through a set of two rollers working under pressure. The second side is then smeared similarly with conjee and again passed through the rollers and then finally dried. The paper makers at Amanjikarai have also a cutting machine of crude design and the edges of the sheet are cut to the sizes required. The paper is then ready for the market.

4. The method of converting waste paper into pulp as followed at Amanjikarai is crude and one of the needs is to devise a cheap method of converting the wet and soaked waste paper into pulp in a form of pug mill. As regards the raw material, proper sorting of the paper should be provided for. The waste papers that are at present used are of various kinds and of different colours and as these are not sorted, the resulting colour of the pulp is a dirty ash grey and it does not take any colour. If the cuttings could be sorted and the colours separated, each coloured waste could be manufactured into sheets of different colours and better prices

would be realised. If a pug mill was introduced, the resultant pulp would be more homogenous and the texture of the paper would therefore be better. Another defect in the manufacture is in the mixing of the pulp before the sheet is made. As the bamboo sticks in use do not give a uniform consistency, the sheets vary in thickness whilst a single sheet is often of different thicknesses. This difficulty could perhaps be overcome by designing a suitable paddle wheel for fixing at the bottom of the vat. Another defect is in the method of adding water and pulp to the vat whilst making the sheets. As every sheet is taken out, some quantity of pulp is removed from the vat along with the water that is in the sheet. One feature of the work at Amanjikarai is that the sheets are passed through rollers whereas in some hand paper making centres in other parts of India the polishing is done by rubbing the paper surface with a stone. The set of rollers in use is not, however, sufficiently strong and heavy to permit of a good polish being given to the paper. If the rollers were increased to five in number, the polish would be better provided that the quality of the pulp was improved and uniformly beaten or milled and ground into a uniform paste.

5. In short, if the hand-made paper industry at Amanjikarai is to be carried on more efficiently the following steps require to be taken:—

- (i) the introduction of a pug mill in order to enable better and more uniform pulp to be produced,
- (ii) the introduction of hand operated paddle wheels to be used in the vats as agitators,
- (iii) the calendering machine should consist of at least five heavy rollers,
- (iv) the waste paper should be sorted according to colour,
- (v) other raw materials such as ropes and cotton waste should be used in the mixings,
- (vi) sizing materials such as rosin size or menthi paste should be used as a binding material in the manufacture of the pulp,
- (vii) a small quantity of china clay could usefully be employed in order to obtain a better polish.

6. There would appear to be some scope for the development of the hand-made paper industry provided that it is organized and run on more efficient lines, though further investigation is required into the economics of manufacture. Proposals are under the consideration of Government for the deputation of 10 students to Wardha for training in hand-made paper. Mr. T. Venkajee of Rajahmundry, who is an authority on the subject of hand-made paper, proposes to take up the question of the development of the industry at Rajahmundry and it is his intention, I believe, to apply to Government for financial assistance. Mr. Venkajee considers that with the aid of suitable hand operated mechanical appliances it should be possible to manufacture hand-made paper comparable in quality to that made in other countries, but no information is available as to the cost at which he expects to produce hand-made paper which will stand a reasonable chance of competing in the market with the machine made product.

(21) *Letter No. 98-II/38—11, dated the 26th March, 1938, from the Government of Madras, Development Department, Madras.*

With reference to paragraph 3 of your letter No. 19, dated the 5th January, 1938, I am directed to enclose a note prepared by the Director of Industries, Madras, giving the information required by the Tariff Board. Four spare copies are also enclosed. Information called for by the Board in paragraph 2 of the above letter will be furnished later.

2. I am to say for the information of the Tariff Board that the "Sabai" grass (*ischoemum angustifolium*) of North India is not identical with the thatch grass or elephant grass found in the Madras Presidency and that it is not available in South India in any commercial quantity.

Enclosure.

Copy of letter from the Director of Industries, No. 281-A./38, dated the 22nd February, 1938.

**TARIFF BOARD—ENQUIRY—PAPER AND PAPER PULP INDUSTRY—PROTECTION—
CONTINUANCE.**

In paragraph 3 of their letter No. 19, dated the 5th January, 1938, the Tariff Board have called for detailed information on the following points:—

2. (1) Number of paper and paper-pulp mills existing or projected.

The only paper mill in the Madras Presidency is the Andhra Paper Mill at Rajahmundry. The productive capacity of the mill was formerly only four tons of paper per day and as this did not represent an economic output, it was decided to remodel the whole factory so as to raise the productive capacity to ten tons of paper per day in the first instance and if this unit proved to be a success, to instal another paper machine and auxiliary plant so as to raise the capacity of the mill to a minimum of 20 tons of paper per day. The pulp section, which was found to be insufficient for a regular and economic production of ten tons of pulp per day has also been remodelled, whilst new chippers, a spare digester, new washing machines and washing tanks, stuff chests, and a new bleaching machine have been installed. The original recovery plant has also been removed and replaced by a new sulphate recovery plant. A rapid filtration plant has also, it is understood, been installed. The starting of the mill has been delayed by an accident to the main engine and it has been decided to replace the engine by a new turbine and boiler sufficient for the generation of the power and steam required for the operation of, and processing in, the mill. The erection of the turbine is expected to be finished by the end of March.

3. (2) Whether the existing mills are working or not, or are likely to resume working if they have stopped.

The Andhra Paper Mill has not yet started working and information is not available as to when it is proposed to start it though in all probability this will be in the course of a month or two.

4. (3) Areas in which bamboo, grass or other materials are available in sufficient quantities to meet the needs of a paper or paper-pulp mill.

A statement furnished by the Chief Conservator of Forests showing the areas in which bamboo and grass are available in sufficient quantities within economic reach of a possible mill site is enclosed.

5. (4) Whether hydro-electric or other electric power development schemes have come into existence or are in contemplation which would assist the opening of new mills.

The development of the Mettur hydro-electric project has opened up the possibility of the establishment of a paper mill at Mettur and an investigation undertaken by the Forest Department in 1932 indicated that a secure supply of bamboo exists in the Mettur area and that the fundamental problem of getting the supply to a mill there would not present insuperable difficulty. The Forest Economist and Paper and Pulp Expert, Dehra Dun, who examined the reconnaissance report of the Conservator of Forests, Working Plans Circle, suggested that a start could be made with a paper mill at Mettur with an annual output of about 4,000 tons of writing and printing papers, but that this output should be doubled as early as practicable. They reported that the species of bamboo proposed to be utilised—*Dendrocalamus Strictus*—had been tested at the Dehra Dun Institute and found quite suitable for the manufacture of printing and writing papers and that the quantity available was more than ample for the production of 8,000 tons of paper per annum. In 1934-35 endeavours were made to induce the Calcutta paper manufacturing interests to establish a factory at Mettur, but they were not prepared to consider the question of establishing a paper mill in South India until the market expanded to an extent which would in their view render commercial manufacture feasible. The high cost of coal required for steam raising at Mettur was also considered a disadvantage.

6. The proposed Papanasam hydro-thermal electric project opens up the possibility of establishing a paper industry in the Tinnevely area based on the utilisation of the local eeta reed. There are about 20,000 acres of pure and mixed reed area in the Tambraparani and Serviar basins which are estimated to yield 20,000 tons of dry reed a year on a three year rotation. In addition, 1,000 tons of dry reed can be had each year from the scattered growth over a large area in the same locality, whilst further reed areas are estimated to yield more than 4,000 tons a year. It is considered that these areas would be able to supply sufficient material to a mill for the production of 10,000 tons of paper a year. The Chief Conservator of Forests considers that Re. 1 per ton of dry reed would be a fair rate, or a rental of Rs. 20,000 per annum for the lease of the reeds in the Ambasamudram forest range for a 20 years extraction. If the Papanasam hydro-electric project is proceeded with, the Tinnevely area will offer perhaps the best facilities in the Madras Presidency for the establishment of a paper industry.

7. The Chief Engineer for Electricity states that the rate for electrical energy depends entirely on the characteristics and type of load, such as maximum demand, hours of operation, average load, power factor, etc. If a paper factory with a power demand of 2,000 H.P. was established in the area served by the Papanasam hydro-thermal electric project, the average standard rate for motive power, if the factory is operated more or less continuously at full load, should work out to a little less than 0.40 anna per unit. For heating purposes a rebate of 50 per cent. would be allowed. If the factory is located near the main generating source, a secondary power rate at Rs. 90 per K.W. of demand per year might be allowed by Government, but this rate would only be advantageous if the factory was operated continuously at or near maximum capacity for about 6,000 hours per year. Under such conditions the average rate per unit would work out to about 0.25 anna. It is possible, that Government might be prepared to consider the grant of special concessional tariffs in order to facilitate the establishment of the industry.

8. (5) Whether any, and if so what, assistance has been given to any mill in the form of concessions or direct financial aid or otherwise and whether the grant of any such assistance is contemplated.

The Andhra Paper Mill was formerly known as the Carnatic Paper Mill, and the original company was granted a considerable measure of assistance by Government. A loan of Rs. 4 lakhs was granted by Government to the Carnatic Paper Mill Co., Ltd., in 1925. Subsequently, Government sanctioned the lease to the Company of the bamboo coupes in the Rekkapalle reserve forests in Upper Godavari for a period of three years on an annual payment of Rs. 10,000. The proceeds of the loan granted to the Company were first to be applied to the redemption of the prior mortgage and secondly for the clearance of the other liabilities of the Company, and it was hoped by Government that the grant of this substantial loan would engender confidence in the soundness of the Company's proposition and stimulate the flow of the further capital required. This hope was not, however, realised and further loans were granted to it. Altogether financial assistance to the extent of Rs. 6,49,215-8 in the aggregate or Rs. 7,87,135-13 including interest was granted at various times to the Carnatic Paper Mill Co., Ltd., which never worked on a commercial scale. Eventually the concern was taken over by a new company formed for the purpose, and Government received in full satisfaction of all the debts due from the old company, a sum of Rs. 4 lakhs from the official liquidator and the balance of Rs. 3,87,135-13 was written off.

The Andhra Paper Mills Co., Ltd., have been granted by Government the exclusive rights of cutting and removing bamboos from the Pulusumamidi range in the Rekkapalle forests for a period of 10 years at an annual payment of Rs. 8,000. They have also been permitted to purchase and remove waste paper and press cuttings from Government offices under the control of the Madras Government for a period of five years from 1st April 1937 at the rate of Rs. 28 per ton. The Company have further been allowed the

use of water from the Godavari at a concessional rate of Re. 1-8 per 1,000 cubic yards for a period of one year from the date of commencing manufacturing operations. If it does not prove feasible for the Company to instal a purification plant for the treatment of the effluent and so obtain a rebate on the quantity of water returned to the river after treatment, the question of renewing this concession for a further period will no doubt be considered.

9. Separate questionnaires have been issued by the Tariff Board to (i) Manufacturers, (ii) Importers and Traders, and (iii) Newspapers, Printers and Publishers. I do not feel that I can usefully offer any remarks in regard to them as I have no data in regard to the operating costs of a paper mill under modern working conditions.

I asked the Superintendent of Stationery and the Superintendent, Government Press, whether they have any comments to make on any of the points raised in the questionnaires issued by the Tariff Board, but have not yet received their replies although I have reminded them. As soon as their replies come to hand, I will communicate them to Government. The Chief Conservator of Forests reports with reference to Question No. 7 of the Questionnaire for Manufacturers that sustained supplies of bamboo and grass are available in different parts of this Presidency, and that the investigations carried out at the Forest Research Institute have shown that these can economically be used in the manufacture of a large variety of writing and printing papers. The Chief Conservator of Forests states that there are also many species of soft woods capable of being ground into pulp for making paper, and that the Forest Research Institute is investigating the possibilities in this direction. In regard to Question 18 of the Questionnaire for Importers and Traders, the Chief Conservator of Forests considers that the continuance of the protection to the industry in the shape of import duty on paper will be helpful.

10. If a paper mill was established in the Madras Presidency it would manufacture writing and printing papers from bamboo or eeta reed locally available and therefore would fulfil the main condition for the grant of protection, namely the utilisation of indigenous raw material for the paper industry. It is possible that such of the existing paper mills as have been able to build up substantial reserves may not strictly need the present protection supplemented by the surcharge which is in force, but there can be no question that the new mills which are in process of establishment or are in contemplation will have an uphill task in establishing themselves and it would be of substantial assistance to the further development of the industry if the present protection could be continued. There is also the danger that if the extent of the protection recommended hereafter is based on the present prices of foreign paper, the protection may prove insufficient later on if prices of foreign paper decline from their present high level. The Tariff Board should, I consider, bear this point in mind in framing their recommendations. In pages 79-80 of the Tariff Board Report, 1931, the cost of manufacturing paper from bamboo pulp in the case of the mill at Naihathi is given at Rs. 300 per ton to which would have to be added Rs. 73 per ton for overheads and Rs. 64 per ton for profits representing a selling price of Rs. 437 a ton. I understand from the Andhra Paper Mills Co., Ltd., that their estimated cost of manufacturing one ton of paper from bamboo is Rs. 455 per ton, and that if the selling price of the paper is taken at Rs. 500 per ton, margin of Rs. 45 will be left for depreciation, income-tax, interest and profit.

11. The market for protected papers in India is not unlimited, but if mechanical pulp could be produced from bamboo, the possibilities of utilising bamboo as a raw material for the paper industry would be greatly improved. Mechanical wood pulp is produced by grinding the wood without the use of any chemicals. A paper made entirely of this pulp would be exceedingly weak, but most newspapers are printed on a paper which contains 70 per cent. of mechanical pulp and 30 per cent. of chemical pulp. This is the paper which goes by the name of newsprint. Mechanical pulp is also used

in smaller proportions for the production of many kinds of the cheaper papers. Mechanical pulp has never been made from either grass or bamboo, but in view of the high cellulose content of bamboo it would seem well worthwhile for the Forest Research Institute, Dehra Dun, to investigate whether mechanical pulp could be produced by grinding bamboo without the use of chemicals. It is possible, of course, that they may have already conducted some experiments in this direction.

Statement showing the areas in which bamboos and grasses are available in sufficient quantities for manufacture of paper.

Name of the Divisions.	Species available for extraction.	Approximate area under each species.	Approximate annual supply in tons.	Average cost of extraction per ton air dry.
		Acres.	Tons.	
Salem North .	Dendrocalamus strictus and Bambusa arundinacea.	70,000	3,000	Rs. 20 per ton.
Kollegal Division.	Ditto .	115,169	27,000	Rs. 18 per ton f. o. r. or Rs. 13 nearest water way Mettur river basin.
Tinnevely .	Ochlandra brandisii (Eta).	20,000	25,000	..
Godavari Upper	Dendrocalamus strictus.	43,430	21,000	Rs. 17 per ton at Rajahmundry.

Reekapalli forests of Pulusumamidi Range, leased for 10 years, to the Andhra Paper Mills Co., for Rs. 8,000 a year—*Vide* G. O. No. 880-Ms. Development, dated the 12th April, 1937.

NOTE.—Information in regard to Vellore District which was furnished to the Tariff Board has been omitted in the above statement because the produce is not within economic reach of a possible mill site.

5. Indian States.

(1) Circular letters addressed to Indian States.

(a) Circular letter No. 41, dated the 6th January, 1938, from the Tariff Board, to certain Indian States.

I am directed to state that in their Resolution No. 202-T. (1)/36, dated the 11th December, 1937, the Government of India, Department of Commerce, have asked the Tariff Board to enquire into the desirability of continuing measures for the protection of the Bamboo Paper and Paper Pulp Industries after 31st March, 1939, when the present protective duties expire.

2. As the Board are anxious to collect all available information about the requirements of paper by the Government of His Highness the Maharaja of /His Highness the Nawab of /His Exalted Highness the Nizam of Hyderabad, I am to request you to be so good as to supply full particulars of the purchases made by the State for each year from 1931-32 of—

- (1) Writing paper,
- (2) Printing paper,

(3) Packing and wrapping paper,

(4) Miscellaneous paper such as blotting paper showing (i) class of paper, (ii) quantity purchased and (iii) average price paid for both (a) Indian and (b) imported classes.

3. The Board would also be glad to have full information regarding any development of the Paper and Paper Pulp Industries in the State since 1931-31. In particular, they would like to have detailed information on the following points in so far as they relate to your State:—

- (1) Number of paper and paper pulp mills existing or projected;
- (2) Whether the existing mills are working or not or are likely to resume working if they have stopped;
- (3) Areas in which bamboo, grass or other materials are available in sufficient quantities to meet the needs of a paper or paper pulp mill.
- (4) Whether the hydro-electric or other electric power development schemes have come into existence or are in contemplation which would assist the opening of new mills.
- (5) Whether any, and if so what, assistance has been given to any mill in the form of concessions or direct financial aid or otherwise and whether the grant of any such assistance is contemplated.

4. Copies of questionnaires for manufacturers, importers and traders and newspapers, printers and publishers will be sent to you later on when they are ready in case you wish to offer any comments on them.

5. The Board would be grateful for a reply (with four spare copies) as early as possible, addressed to the Secretary, Tariff Board, No. 1, Council House Street, Calcutta.

(b) *Circular letter No. 42, dated the 8th January, 1938, from the Tariff Board, to the (1) Government of His Highness the Maharaja of Mysore, Development Department, Bangalore (2) Department of Commerce and Industries, His Exalted Highness the Nizam's Government, Hyderabad, Deccan (3) Government of His Highness the Maharaja of Jammu, and Kashmir, Srinagar (4) Government of His Highness the Maharaja of Travancore, Travancore (5) Government of His Highness the Nawab of Bhopal, Bhopal.*

I am directed to send herewith an advance copy of this office letter No. 41, dated the 8th January, 1938, which has been addressed to you through the proper channel.

(c) *Circular letter No. 43, dated the 8th January, 1938, from the Tariff Board, to (1) the First Assistant to the Resident, Kashmir, Srinagar (2) the Secretary to the Hon'ble the Resident at Hyderabad (3) the Secretary to the Hon'ble the Resident in Mysore (4) the Resident, Madras States Agency, Travancore (5) the Secretary to the Resident for Bhopal Agency, Bhopal.*

I am directed to forward herewith a letter No. 41, dated the 8th January, 1938, together with one set of questionnaires addressed to the Government of His Highness the Maharaja of (1), (3), (4)/His Highness the Nawab of (5)/His Exalted Highness the Nizam of Hyderabad for information and for favour of transmission to the Government of Kashmir, Hyderabad, Mysore, Travancore and Bhopal.

2. A copy of the letter together with the questionnaire referred to above has been sent in advance to the Government of (1), (2), (3), (4), (5).

- (d) *Circular letter No. 282, dated the 15th March, 1938, from the Tariff Board, to the Government of (1) His Highness the Maharaja of Mysore, Bangalore (2) His Exalted Highness the Nizam of Hyderabad, Hyderabad (Deccan) (3) His Highness the Maharaja of Jammu and Kashmir, Srinagar, (4) His Highness the Maharaja of Travancore, Trivandrum (5) His Highness the Nawab of Bhopal, Bhopal.*

In continuation of this office letter No. 41, dated the 6th January, 1938, I am directed to request you to be so good as to furnish the Tariff Board with information regarding the condition of hand-made paper industry in your State.

An early reply is solicited.

(2) *Government of His Highness the Maharaja of Jammu and Kashmir.*

- (a) *Letter No. 333, dated the 29th March, 1938, from the Tariff Board, to the Government of His Highness the Maharaja of Jammu and Kashmir, Srinagar.*

I am directed to invite a reference to this office letter No. 41, dated the 6th January, 1938, and to request the favour of an early reply.

2. I am also to state that the Board will be obliged to have information about the following industries in the State:—

- (1) Tissue Paper.
- (2) Papier Mache and articles manufactured therefrom.

-
- (b) *Letter No. D. 2568/38, dated the 7th April, 1938, from the Assistant, to the Resident in Kashmir, Srinagar.*

PROTECTION OF THE BAMBOO PAPER AND PAPER INDUSTRIES.

With reference to your letter No. 43, dated the 8th January, 1938, I am directed to forward, for information, a copy of letter from the Kashmir Government, No. D. 160/38-P. B., dated the 30th March, 1938, with enclosure in original.

Enclosure.

Copy of a letter from the Kashmir Government to the Extra Assistant to the Resident in Kashmir, No. D. 160/38-P. B., dated the 30th March, 1938.

PROTECTION OF THE BAMBOO PAPER AND PAPER INDUSTRIES.

With reference to your letter No. D 347/38, dated the 28th January, 1938, I am directed to enclose a statement showing particulars of different classes of paper purchased by His Highness' Government from 1931-32 to 1936-37 for use in the various Departments of the State.

2. With regard to the information asked for in paragraph 3 of the Secretary, Tariff Board's letter I am to observe as follows:—

- (i), (ii) and (v) The establishment of a Kraft Paper Mill is under consideration.
- (iii) Silver fir trees in adequate numbers are available in the State forests.
- (iv) There are hydro-electric stations in existence in the State and there are possibilities of further expansion in this direction should need for more power arise.

**LIST OF PAPER PURCHASED FROM THE CON-
TRACTORS FROM 1931-32 TO 1936-37.**



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List of Paper purchased from the

Serial No.	Class Paper.	1931-32. 1938-39.			1932-33- 1939-40.		
		Quantity purchased.	Price Paid.		Quantity purchased.	Price Paid.	
			Imported Class.	Indian.		Imported Class.	Indian.
	<i>Writing Paper.</i>	Rms.		Rs. per Rm.	Rms.		Rs. per lb.
1	Hanai Paper, 30 lbs. 22×29.	900	Nil.	5 5 0	..	Nil.	..
2	Hanai Paper, 20 lbs. 17×27.	150	"	3 8 8	..	"	..
3	Hanai Paper, 24 lbs. 24×26, 17×23, 22×29.	7,913	"	4 4 0	{ 5,100 & 1,209 450 Rms. of 15 lbs.	"	0 2 8½
4	Hanai Paper, 10 lbs. 17×21.	19	"	1 12 4		"	0 2 9½
5	Foolscap Paper, Plain, 14 lbs.	1,500	"	2 14 8	800	"	0 3 3½
6	Foolscap Paper, Plain, 16 lbs.	150	"	3 5 4	..	"	..
7	Foolscap Paper, Ruled, 16 lbs.	450	"	3 7 4	200 Rms. of 14 lbs.	"	0 3 3½
8	Type Paper, 3 lbs.	1,012	"	0 13 6	2,250	"	0 4 6
9	Foolscap Paper, Plain, 18 lbs.	..	"	..	14	"	0 3 3½
	<i>Printing Paper.</i>						
10	Azurelaid Paper, 42 lbs.	123	"	10 8 0	129	"	0 3 11½
11	" " 20 "	454	"	5 0 0	..	"	..
12	White Paper, 24 lbs.	1,200	"	5 0 0	1,604	"	0 3 3½
13	" " 18 "	37	"	3 12 0	29	"	0 3 3½
14	" " 15 "	750	"	3 2 0	685	"	0 3 3½
15	" " 30 "	75	"	11 0 0	50	"	0 3 3½
16	Coloured Paper, 60 lbs. of different sizes.	4	"	13 7 0	..	"	..
17	Coloured Paper, 60 lbs. of different sizes, 24 lbs.	16	"	5 6 0	6	"	0 3 0
18	Danig Paper, 24 lbs.	..	"	..	..	"	..
19	Bank Paper . . .	12	"	3 13 6	..	"	..
	<i>Packing and Wrapping Paper.</i>						
20	Brown Paper Craft, 120 lbs. 29×45.	71	"	18 12 0	{ 75 Rms. 30 Quires 44	"	0 3 3
21	Brown Paper Craft, 80 lbs. 26×46.	33	"	18 12 0		"	0 3 6
22	Brown Paper Craft, 40 lbs. 20×26.	30	"	6 4 0	..	"	..
23	Brown Paper Craft, 24 lbs. 20×26.	11	"	3 12 0	15	"	0 3 6
	<i>Miscellaneous Paper.</i>						
24	Blotting Paper, 40 lbs. 18×22.	53	"	11 4 0	149	"	0 4 6

contractors from 1931-32 to 1936-37.

1933-34. 1990-91.			1934-35. 1991-92.			1935-36. 1992-93.		
Quantity purchased.	Price Paid.		Quantity purchased.	Price Paid.		Quantity purchased.	Price Paid.	
	Imported Class.	Indian.		Imported Class.	Indian.		Imported Class.	Indian.
Rms.		Rs. per lb.	Rms.		Rs. per lb.	Rms.		Rs. per lb.
600	Nil.	0 2 4½	1,500	Nil.	0 2 2	1,000	Nil.	0 2 2
..	"	..	20	"	0 2 2	200	"	0 2 2
4,500	"	0 2 4½	5,000	"	0 2 2	6,800	"	0 2 2
..	"	..	20	"	0 2 2	100 of 15 lbs.	"	0 2 2
1,700	"	0 3 3½	1,800	"	0 3 2	1,500	"	0 3 2
900	"	0 3 3½	1,500	"	0 3 2	500	"	0 3 2
900	"	0 3 3½	1,400	"	0 3 2	125 Rms. of 14 lbs.	"	0 3 2
2,000	"	0 4 6	1,000	"	0 4 0	2,250	"	0 4 0
10	"	0 3 3½	25	"	0 3 2	40	"	0 3 2
170	"	0 3 10	315	"	0 3 6	240	"	0 3 6
25	"	0 3 10	20	"	0 3 6	35	"	0 3 6
2,000	"	0 3 3½	2,000	"	0 3 2	1,700	"	0 3 2
40	"	0 3 3½	200	"	0 3 2	..	"	..
1,500	"	0 3 5	150	"	0 3 2	125	"	0 3 2
200	"	0 3 3½	150	"	0 3 2	250	"	0 3 2
50	"	0 3 7	36	"	0 3 3	9	"	0 3 3
40	"	0 3 7	26	"	0 3 3	12	"	0 3 3
..	"	"	"	..
..	"	..	10	"	6 8 0 Per Rm.	..	"	..
55	"	0 3 3	55	"	0 3 0	120	"	0 2 8
70	"	0 3 3	16	"	0 3 0	20	"	0 2 8
28	"	0 3 3	..	"	..	16	"	0 2 7
12	"	0 3 3	..	"	..	16	"	0 2 9
125	"	0 4 4½	45	"	0 4 0	80	"	0 4 0

- (c) *Letter No. D. 460/38-P. B., dated the 8th July, 1938, from the Government of His Highness the Maharaja of Jammu and Kashmir, Political Department, Srinagar.*

With reference to your letter No. 333, dated the 29th March, 1938, I am directed to forward herewith a copy of letter No. 4533-I., dated the 11th/18th June, 1938, from the Director of Industries and Commerce containing information regarding papier machie and articles manufactured therefrom. There is no tissue paper industry in the State.

Enclosure.

Copy of a letter No. 4533-I., dated the 11th June, 1938, from the Director of Industries and Commerce, Srinagar, to the Secretary to Government Development Department, Srinagar.

PROTECTION OF THE BAMBOO PAPER AND PULP INDUSTRIES.

With reference to the letter from the Chief Secretary to His Highness Government forwarded to me under your office No. 84-A., dated the 28th May, 1938, I have the honour to submit the required data as follows:—

Papier Machie industry is not run as a large scale industry in the State. Most of the workers work under master craftsmen in Karkhanas. Some of the workers produce goods in their own homes to order. They work for the dealer or the master craftsman who supplies usually his goods to the dealers. There are about 400 workers employed in the industry out of which about 300 are skilled and 100 unskilled. Workers are paid mostly on the piece wage system. The wages per day vary from As. 2 to Rs. 2-8. On the average As. 5 to As. 6 may be taken as the wage per worker irrespective of age and skill. It is only a small number of workers who get more than a rupee per day.

Articles sold as Papier Machie can be roughly divided into four classes as given below:—

- (1) Articles made of pulp only.
- (2) Articles of wood-painted.
- (3) Articles of pulp lined inside with metal.
- (4) Articles of Card Board painted.

It is not easily possible to give quantitative estimate of the total production as no detailed survey has been made. The value of production of goods sold in the trade as papier machie amounts roughly to Rs. 1,25,000.

Raw materials used are given below:—

- (1) Machine-made waste paper.
- (2) Glue.
- (3) Gypsum.
- (4) Thin cloth.
- (5) Varnishes like Copal varnish.
- (6) Amber.
- (7) Linseed oil.
- (8) Paints (Stone paints—Tibetan).
- (9) Gold leaf and silver leaf.
- (10) Wood.
- (11) Brass or any other metal.
- (12) Paints (commonly sold in the bazar).
- (13) Parchment paper.
- (14) Other miscellaneous articles.

Nos. 6, 7, 8, 9 are used only in high class papier machie.

It is not possible to give the quantity and value of each of the raw materials consumed. It is estimated that about Rs. 2,000 worth waste paper and Rs. 1,000 worth card board are consumed in the industry.

About 60 per cent. of the total papier machie articles produced is sold locally mostly to the visitors to Kashmir and about 40 per cent. roughly is exported to British India and other countries.

It may be mentioned that the papier machie manufacturers do not receive any special concessions.

(3) *Government of His Exalted Highness the Nizam of Hyderabad.*

(a) *Letter No. 2907, dated the 30th January, 1938, the Director, Commerce and Industries Department, Hyderabad, Deccan.*

With reference to your letter No. 41, dated the 8th January, 1938, addressed to the Secretary to Government, Department of Commerce and Industries, extract from which is forward to this office for furnishing the information required therein, I have the honour to send herewith copy of the Survey Report* on the Paper Industry published by the Department which contains all the information about the paper industry.

(b) *Demi-official letter No. 403, dated the 11th April, 1938, from Sir Geoffrey Bracken, K.C.I.E., C.S.I., I.C.S., President, Tariff Board, to R. M. Crofton, Esq., Revenue Member, His Exalted Highness the Nizam's Government, Hyderabad.*

I write to ask if you could kindly let me know if His Exalted Highness the Nizam's Government propose to make any representation to the Tariff Board in regard to the continuance of protection to the Paper Industry. Could you also let me know if there is any prospect of a paper mill being established in the Hyderabad State in the near future. The Board would also be very glad, if any formal representation is not made, if you could send us any information you can about the hand-made paper industry in the State.

(c) *Demi-official letter No. 5778, dated the 15th/16th April, 1938, from Mr. R. M. Crofton, Revenue Member, His Exalted Highness the Nizam's Government, to Sir Geoffrey Bracken, K.C.I.E., C.S.I., I.C.S., Chairman, Tariff Board.*

Thanks for your demi-official No. 403 of the 11th April, 1938.

His Exalted Highness the Nizam's Government has under active examination the question of starting a pulp and paper factory in the Adilabad district where there are large bamboo jungles which will provide the raw material. It is expected that a company will shortly come into existence in Hyderabad, the output of the factory will be about 5,000-6,000 tons of paper annually. We are naturally therefore anxious for the continuance of protection to the paper industry. As regards the hand-made paper industry in the State, I enclose a note drawn up by our Paper Expert and trust that this will give you the information you require.

HYDERABAD HAND-MADE PAPER INDUSTRY.

This industry was first started by the Moghuls in a small village in Aurangabad District during the reign of Aurangzeb. Since then it has gradually spread southwards until to-day it is found in five more places.

* Not printed.

The number of paper-makers' families engaged in this industry these days may be seen from the following table:—

Serial No.	Village.	District.	Number of papermakers' families working.
1	Gurud . . .	Medak . . .	35
2	Kagazipura . .	Aurangabad . .	18
3	Koratla . . .	Karimnagar . .	12
4	Ellore . . .	Medak . . .	8
5	Worgal . . .	" . . .	7
6	Maddur . . .	" . . .	4
Total . . .			84

The process of pulp and paper manufacture consists of soaking hemp or waste paper with caustic soda and then pounding and rubbing the material until it disintegrates into individual fibres. It is usual to use 40 per cent. Hemp and 60 per cent. waste paper furnish in the papers. The fibres are next bleached with Bleaching powder solution and washed. Rosin soap and Alum sizing is now done and the pulp put in the paper-making vat. Here a large quantity of water is added and the pulps strained out in the form of sheets by means of a grass Paper Mould. The desired thickness of paper being made by regulating the quantity of pulp in the vat and the angle at which the mould is dipped. This done the moist sheets are transferred into a piece of cloth in the first instance and later without any cloth in between until a pile of about 200 sheets is made.

The moist pile is pressed and allowed to stay overnight. The next day each moist sheet is peeled off separately from the pile and dried by sticking it dextrously on the walls of the paper-maker's "Karkhana".

The dry sheets are next sized with starch to make them sufficiently stiff to stand the glazing and also give a good rattle to the finished product. Glazing is done by rubbing each face of the paper on a polished wooden board with a polished gate or granite stone.

The paper is next cut and packed for sale.

The cost of pulp and paper manufacture is as follows:—

Cost of making 9 reams of local hand-made paper (size 17" x 27") containing 40 per cent. Hemp and 60 per cent. waste paper.

Item No.	Particulars.	*Rs. A.
1.	Cost of 120 lbs. Hemp	5 0
2.	Cost of 120 lbs. waste paper including cart hire	2 8
3.	Dusting and storing of raw material	1 0
4.	Caustic Soda 2 per cent. on waste paper and 5 per cent. on hemp	2 4
5.	Fire wood for boiling hemp with caustic soda	2 0
6.	Washing out caustic soda from hemp and waste paper	0 4

Item No.	Particulars.	* Rs. A.
7.	Pulping charges for hemp	8 0
8.	Pulping charges for waste paper	3 8
9.	Bleaching and washing charges	4 0
10.	Paper making, i.e., Vatman's wages	13 8
11.	Paper drying	1 4
12.	Rosin, soap and Alum sizing	1 0
13.	Starching	3 12
14.	Glazing, cutting and packing	5 0
15.	Cart-hire, and sales expenses	1 0
Total cost of production		<u>54 0</u>

Or O. S. Rs. 6 per ream.

The selling price of paper is from Rs. 6-7 per ream.

* All figures given are in Hyderabad Government currency and may be converted into British Indian Rupees by multiplying them by 6/7.

This hand-made paper is mostly purchased by Government Stationery Department for printing purposes and also for miscellaneous office work. Various Revenue and District offices also use it for their forms and registers. The total quantity produced amounts to about Rs. 25,000 per annum of which the Government purchased Rs. 15,000 rupees worth. The balance is sold to the public and specially to Sowchairs for their account books during Dipavali.

(d) *Letter No. 5777, dated the 16th April, 1938, from Department of Commerce and Industry, His Exalted Highness the Nizam's Government, to the Secretary, Tariff Board.*

I am directed to reply to your letter No. 41, dated the 8th January, 1938, in which certain information is desired by the Tariff Board in connection with the Tariff Board's enquiry into the protective duties on paper.

As regards paragraph 2 of your letter, I am to forward a statement received from the Director of the Stationery Department giving the required information. The statement only shows the particulars regarding Government purchases through the Stationery Department during the years mentioned.

As regards the last column, I am to point out that the average price paid per lb. as there shown, is the average price for all the 6 years. The Director of the Stationery Department is being asked to work out the average price paid during each of the 6 years, and this information will be forwarded to you in due course later, when received.

As regards paragraph 3 of your letter, the following are the replies:—

3. (i) and (ii) There is no paper or pulp mill existing in the Dominions, but a paper and pulp mill with an output of 5,000-6,000 tons is contemplated, and the company is expected to be incorporated within the next 6 months. The raw material will be provided by the bamboo-bearing jungles of the Adilabad district, and the company will be registered in Hyderabad where its office will be situated.

(iii) The Adilabad district contains large bamboo-bearing areas. In this connection I am to enclose a copy of His Exalted Highness the Nizam's Government, Commerce and Industries Department, †Bulletin No. 4, and to invite a reference to page 16 of the Report.

† Not printed.

(iv) At present there is no hydro-electric power generated in the Dominions, but various schemes are under consideration including an important hydro-electric scheme in the Adilabad district.

(v) Government propose to take up not more than 17 per cent. of the total shares in the Paper company which is about to be floated. The royalty which will be paid on bamboos will be B. G. Rs. 3 (O. S. Rs. 3-8) per ton of bamboos weighed at the Factory on arrival from the jungle. It is possible that certain concessions may also be granted in regard to import Customs duties in accordance with the general policy of Government in this connection. No other concessions or financial assistance is contemplated, except that if Government later on decides that a second paper mill is required in the Adilabad district, the first option will be given to the Company now about to be incorporated.



Statement showing full particulars of Paper purchased by the Stationery Department from 1931 to 1937.

Class of Paper.	Quantity Purchased (Indian). Year ending 5th October.					Average price paid per lb. B. G.	Quantity Purchased (Imported). Year ending 5th October.					Average price paid per lb. B. G.
	1932.	1933.	1934.	1935.	1936.	1937.	1932.	1933.	1934.	1935.	1936.	1937.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Writing Paper.												
1. Azure laid, 14, 16, 28 and 32 lbs.	..	1	2	2	4	..	..	..	..	..	..	..
2. Creamlaid, 8, 10, 12, 16, 20, 24 and 30 lbs.	42	39	38	27	37	22	..	..	..	..	..	..
3. Creamlaid, S. A. Lionbrand, 32 lbs.	..	..	..	..	..	..	1	1½	1½	2	3	1½
4. Indian account, 13, 16, 20, 24 and 30 lbs.	175	135	376	181	134	170	113	93	..	72	149	..
5. Baskerville Vellum Wove, 16 lbs.	..	..	..	..	..	..	25 Rms.	5 Rms.	10 Rms.	50 Rms.	15 Rms.	38 Rms.
6. Saunderson hand-made paper, 15 lbs.	..	..	..	..	..	..	30 Rms.	10 Rms.	10 Rms.	..	15 Rms.	20 per rm. 1 10 per rm.
Printing Paper.												
7. Unglazed printing, 30 and 40 lbs.	..	..	..	..	..	..	23	25	41	10	25½	23
8. Unglazed printing, tinted, 32 lbs.	..	..	..	..	..	..	9½	12½	18	8	6	..
9. M. F. Printing, 25, 32, 36, 40, 50, 60 and 70 lbs.	37½	29	28	38	52	19	..	..	..	..	..	..
10. Glazed tinted, 20 lbs.	..	..	..	..	..	..	9	5½	7½	5½	6	0 2 2
11. Croyley Lion Ledger, 24, 30, 42 and 84 lbs.	..	..	..	..	..	..	2	1½	2	1	2½	1½

Statement showing full particulars of Paper purchased by the Stationery Department from 1931 to 1937—contd.

Class of Paper.	Quantity Purchased (Indian). Year ending 5th October.						Quantity Purchased (Imported). Year ending 5th October.						Average price paid per lb. B. G.
	1932.	1933.	1934.	1935.	1936.	1937.	1932.	1933.	1934.	1935.	1936.	1937.	
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	
12. Maxima Ledger, 24, 30, 42 and 84 lbs.	4	1	Ra. A. P. 0 6 0
13. Bank paper, white, 18 lbs.	10 Rms.	30 Rms.	35 Rms.	45 Rms.	25 Rms.	8 8 6 per rm.
14. Do. coloured 18 lbs.	15 Rms.	9 9 0 per rm.
<i>Packing and Wrapping Paper.</i>													
15. Kraft, 28 and 80 lbs.	27	55½	54½	30	39½	12	0 2 5½
16. Linen finish State yellow cover paper, 55 lbs.	28 Rms.	40 Rms.	25 Rms.	..	85 Rms.	82 Rms.	27 15 6 per rm.
17. Hindustan cover paper, 60 lbs.	10 Rms.	53 Rms.	16 Rms.	..	..	..	..	..	..	..
<i>Miscellaneous Paper.</i>													
18. Blotting, 28 lbs.	400 Rms.	400 Rms.	385 Rms.	205 Rms.	492 Rms.	400 Rms.	12 3 4 per rm.
19. Typewriting (thick)	500 Rms.	600 Rms.	600 Rms.	700 Rms.	800 Rms.	310 Rms.	4 0 0
20. Do. (thin)	800 Rms.	1,000 Rms.	1,050 Rms.	1,400 Rms.	1,200 Rms.	900 Rms.	1 7 4 per rm.

NOTE.—All prices in B. G. Currency, F. O. R. Hyderabad B. G. Station.

(4) *Government of His Highness the Maharaja of Mysore.*

- (a) *Letter No. R. Dis. F. 33-38/R. O. II, dated the 22nd March, 1938, from the Secretary to the Hon'ble the Resident in Mysore, Bangalore.*

I am directed to refer to your letter No. 43, dated the 8th January, 1938, and to forward a copy of letter from the Government of Mysore, No. Pol. 1011/I & C. 193-37-18, dated the 12th March, 1938, with enclosures in original.

Enclosure.

Letter from the Secretary to the Government of His Highness the Maharaja of Mysore, Development Department, No. Pol. 1011/I. & C. 193-37-18, dated the 12th March, 1938.

CONTINUANCE OF THE PROTECTION TO THE INDIAN PAPER AND PULP INDUSTRY FROM 1939.

With reference to your letter No. F. 33-38/R. O. II, dated the 18th January, 1938, forwarding copy of letter No. 41, dated the 6th January, 1938, of the Secretary to the Tariff Board on the above subject, I am directed to forward herewith two statements showing the total quantities, etc., of papers purchased by the State from 1931-32 to 1937-38 and the total amount paid therefor.

In regard to the development of the Paper and Pulp Industry in the State, I am to enclose herein a Note furnishing full information required by the Board in paragraph 3 of their letter as also the replies* of the Mysore Paper Mills, Ltd., to the Questionnaire.

Note on the development of the Paper and Pulp Industry in the State.

Investigations were being made from time to time in regard to the manufacture of pulp and paper from the bamboo available in the Forests of the State. The work done in recent years, especially at the Forest Research Institute, Dehra Dun, has shown the suitability of this material for the manufacture of paper and it is understood that it is being used more and more largely for this purpose in India. The Forest Industries Sub-Committee of the Board of Industries and Commerce took up the further investigation of the problem and submitted a scheme for the manufacture of paper and pulp. The extension of electric power to Bhadravati facilitated active consideration of the scheme and Government passed orders in the matter of the establishment of a Paper Factory at Bhadravati, as Joint Stock concern, in their order No. D. 6432-6500/I. & C. 300-35-1, dated the 29th April, 1936.

- (Q. 1) Number of paper and paper mills existing or projected.

Existing.—None.

Projected.—One—at Bhadravati by the Mysore Paper Mills, Ltd. The plant is equipped with one machine, and is capable of an output of 17 tons of pulp and 15 tons of finished paper, per day.

- (Q. 2) Whether the existing mills are working or not or are likely to resume working if they have stopped.

.....

- (Q. 3) Areas in which bamboos, grass or other materials are available in sufficient quantity to meet the needs of paper or paper pulp mills.

The forests in the Shimoga and Kadur Districts round about Bhadravati and the forests in the Mysore District have ample supply of bamboos.

(Q. 4) Whether the Hydro-electric or other electric power development schemes have come into existence or are in contemplation which would assist the opening of new mills.

Yes. Hydro-electric power is now promised for the Mysore Paper Mills from Sivasamudram. It will be supplemented by the Simhsa Scheme which has been sanctioned. The projected Jog Falls Scheme will augment the supply and assist in the expansion of the mill in future.

(Q. 5) Whether any, and if so, what assistance has been given to any mill in the form of concessions or direct financial aid or otherwise and whether the grant of such assistance is contemplated.

Please see Government Order No. D. 6432-6500/I. & C. 300-35-1, dated the 29th April, 1936 (copy enclosed), sanctioning certain concessions and facilities to the Mysore Paper Mills, Ltd.

Order No. D. 6432-6500/I. & C. 300-35-1, dated Bangalore, the 29th April, 1936.

Investigations have been made from time to time in regard to the manufacture of pulp and paper from the bamboo available in the forests of the State. The work done in recent years, especially at the Forest Research Institute, Dehra Dun, has shown the suitability of this material for the manufacture of paper and it is understood that it is being used more and more largely for this purpose in India. Recently, the Forest Industries Sub-Committee of the Board of Industries and Commerce took up the further investigation of the problem and have submitted a complete scheme which provides for the manufacture of 5,000 tons of pulp a year and about 4,500 tons of paper.

2. The Working Plan Officer of the Forest Department has made a detailed survey of the bamboo resources and come to the conclusion that a much larger quantity than is required for the proposed plant is easily available within economic distance of Bhadravati. Bhadravati offers exceptional facilities for the establishment of a paper and pulp plant. It is situated on the bank of a perennial river, and for the supply of raw materials, tramways run for a total length of 100 miles through dense forests where wood and bamboo grow in abundance. Labour, workshop and other facilities are easily available. Bhadravati also forms a convenient distributing centre for the State of Mysore, the Southern Mahratta Country and parts of Hyderabad and Madras. It is therefore proposed to locate the plant at Bhadravati.

3. The scheme provides for the most modern equipment and includes a boiler plant and a turbine for generating a part of the power from the process steam, a soda recovery plant and an electrolyser plant. It incorporates all improvements calculated to ensure low working costs. The total capital outlay as estimated is Rs. 21 lakhs and provision has also been made for a working capital of Rs. 4 lakhs.

4. The Sub-Committee points out that the cost of production of a ton of white paper, including depreciation, has been estimated at Rs. 250 a ton and that assuming a nett selling price of Rs. 350 a ton, there will be a profit of Rs. 100 a ton, which should yield a handsome dividend after providing for reserves.

5. In order to ensure the successful establishment of the industry as a private enterprise, it is proposed to constitute a limited liability company, to which the following facilities and concessions will be extended by Government:—

(a) Government will subscribe ten per cent. of the capital.

- (b) They will give free of cost the necessary extent of land in close vicinity of the Mysore Iron and Steel Works for the construction of the plant and quarters for the staff.
- (c) They will undertake to supply the raw material required, about 14,000 tons of bamboo at Rs. 12 per ton delivered at the Factory sidings. The rate will be subject to revision at the end of five years.
- (d) They will supply electric power at .55 of an anna per unit during the day and .35 of an anna during the night.
- (e) They will allow the Paper Factory to take tramway and meter gauge sidings from the tracts of the Mysore Iron and Steel Works.
- (f) They will arrange with the Mysore Iron and Steel Works for hauling wagons between the Mills and the Railway Station at rates to be mutually agreed upon. They will similarly afford workshop and other facilities to the Mills and medical and educational amenities to the staff.
- (g) The Mysore Government will purchase the varieties of paper manufactured by the Factory to the extent of their requirements provided quality and price are satisfactory.

No. D. 6432—6500/I. & C. 300—35—1, dated the 29th April, 1936.

6. The grant of the concessions is subject to the following conditions:—
- (a) Three out of the nine Directors proposed for the Company to be nominated by Government. One of these Directors will be the Chairman.
 - (b) The appointments of the Secretary and General Manager to be made with the approval of Government.
 - (c) Government to have the right to cause the accounts of the Company to be inspected and audited at any time by their officers, at their own cost.
7. The provisional Board of Directors of the proposed Company will be constituted as follows:—
- (1) *Rajamantrapravina Ditan Bahadur K. Matthan*, B.A. (Chairman).
 - (2) *Mr. M. Ct. M. Chidambaram Chetty*, Bedford House, Vepery, Madras.
 - (3) *Rao Sahib V. Thiruvengadathan Chetty*, Messrs. Hoe & Co., Madras.
 - (4) *Mr. P. Subbarama Chetty*, Merchant and President, The Mysore Chamber of Commerce, Bangalore.
 - (5) *Captain Rao Sahib A. Thangavelu Mudaliar*, Bangalore.
 - (6) *Mr. D. N. Sirur*, Messrs. N. Sirur & Co., Bombay.
 - (7) *Mr. M. Ramachandra Rao Sindia*, Merchant, Bangalore.
 - (8) The Chief Conservator of Forests in Mysore, Bangalore.
 - (9) The Secretary to Government, Development Department.
8. Government are pleased to place the services of *Mr. M. L. Narasimha Iyengar*, B.A., B.E., Assistant Engineer, at the disposal of the Company for appointment as Secretary to the Board of Directors.
9. The Comptroller is requested to place at the disposal of the Secretary a sum not exceeding Rs. 20,000 to meet preliminary expenses. This amount will be adjusted eventually as part of the share capital subscribed by Government.

Abstract showing the total cost of several classes of papers purchased since 1931-32.

Class of paper.	In Rs.					
	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Writing Paper . . .	16,187 5 8	12,123 13 10	14,948 8 0	15,228 12 6	17,616 14 0	16,222 12 0
Printing Paper . . .	87,530 5 8	75,727 1 0	54,003 9 4	72,127 9 4	87,141 3 3	1,01,098 5 2
Packing and Wrapping Paper . .	4,865 4 10	6,116 14 0	12,017 14 6	8,582 8 0	8,262 10 0	9,228 6 0
Miscellaneous Papers . . .	7,572 10 6	6,829 13 9	6,535 0 4	6,802 10 11	6,981 10 0	8,499 4 0

Papers purchased for the Government Stationery Depot (Indian Manufacture), Printing, Writing and others.

Description of Papers.	Size and Weight.	1931-32.		1932-33.		1933-34.		1934-35.	
		Reams.	Price per lb.	Reams.	Price per lb.	Reams.	Price per lb.	Reams.	Price per lb.
1. Printing Single Royal	25 × 20—23 lbs.	1,500	Rs. A. P.	1,400	Rs. A. P.	1,500	Rs. A. P.	2,125	Rs. A. P.
2. Do. Double Demy	35 × 22½—36 "	2,000	0 3 3	2,000	0 3 3	1,000	0 3 1	2,250	0 3 0
3. Do. Double Foolscap	27 × 17—20 "	4,000	0 3 3	4,000	0 3 3	3,000	0 3 1	4,750	0 3 0
4. Do. do.	27 × 17—16 "	5,000	0 3 3	6,000	0 3 3	4,000	0 3 1	4,000	0 3 0
5. Do. do.	20 × 30—28 "	500	0 3 3	500	0 3 3	..	0 3 1	..	0 3 0
6. M. M. Azure laid	25 × 20—44 "	50	0 3 3	75	0 3 3	25	0 3 1	75	0 3 0
Do.	22½ × 17½—22 "	..	0 3 3	..	0 3 3	..	0 3 1	..	0 3 0
7. Do.	25 × 18—32 "	150	0 3 9	75	0 3 9	150	0 3 9	200	0 3 7
Do.	22½ × 35—44 "	..	0 3 9	..	0 3 9	..	0 3 9	..	0 3 7
8. Do.	27 × 17—26 "	1,000	0 3 9	800	0 3 9	500	0 3 9	750	0 3 7
9. Do.	17 × 13½—15 "	500	0 3 9	100	0 3 9	300	0 3 9	500	0 3 7
10. Badamy Royal	25 × 20—16 "	200	0 3 9	200	0 3 9	..	0 3 9	250	0 3 7
Do. Double Demy	22½ × 35—28 "	..	0 2 4	..	0 1 11½	..	0 1 11½	..	0 1 10½
11. Do. Do.	22½ × 17½—14 "	2,500	0 2 4	5,000	0 1 11½	6,000	0 1 10½	1,500	0 1 10½
12. Do. Double Foolscap.	27 × 17—16 "	2,000	0 2 4	1,500	0 1 11½	2,500	0 1 10½	1,000	0 1 10½

Papers purchased for the Government Stationery Depot (Indian Manufacture), Printing, Writing and others—contd.

Description of papers.	Size and weight.	1935-36.		1936-37.		1937-38.	
		Reams.	Price per lb. Rs. A. P.	Reams.	Price per lb. Rs. A. P.	Reams.	Price per lb. Rs. A. P.
1. Printing Single Royal . . .	25 × 20—23 lbs. .	2,000	0 3 0	1,000	0 3 0	1,000	0 3 9
2. Do. Double Demy. . .	35 × 22½—36 " .	2,500		2,450		3,000	
3. Do. Double Foolscap . . .	27 × 17—20 " .	4,500		4,900		4,500	
4. Do. do. . .	27 × 17—16 " .	4,000		5,800		5,000	
5. Do. do. . .	20 × 30—28 " .	..		..		300
6. M. M. Azurelaid . . .	25 × 20—44 " .	100	0 3 5	100	0 3 4	410	0 4 1
Do. . .	22½ × 17½—22 " .	..		..		250
7. Do. . .	23 × 18—32 " .	275		100		150	
Do. . .	22½ × 35—44 " .	..		..		385
8. Do. . .	27 × 17—26 " .	1,000		1,125		775	
9. Do. . .	17 × 13½—15 " .	600	0 1 10	610	0 2 2½	650	0 2 6½
10. Bedamy Royal . . .	25 × 20—16 " .	500		300		450	
Do. Double Demy . . .	22½ × 35—28 " .	..		..		3,200
11. Do. do. . .	22½ × 17½—14 " .	2,000		6,500		3,270	

Papers purchased for the Government Stationery Depot (Indian Manufacture), Printing, Writing and others—conold.

Description of papers.	Size and weight.	1935-36.		1936-37.		1937-38.	
		Reams.	Price per lb.	Reams.	Price per lb.	Reams.	Price per lb.
		Rs. A. P.		Rs. A. P.		Rs. A. P.	
12. Badamy Double Foolscap . . .	27×17—16 lbs. .	2,000		3,000		3,000	
13. Do. do. . .	27×17—37 " .	50	0 1 10	50	0 2 2½	50	0 2 6½
14. Do. Cartridge Demy . . .	22½×17½—48 " .	500		200		350	
15. Do. Foolscap . . .	17×13½—25 " .	50		50		50	
16. Typewriting paper, thick . . .	13×8—5 " .	1,750	0 4 0	1,500	0 4 0	2,050	0 4 6
17. Do. thin . . .	13×8—2½ " .	2,000	0 4 0	1,750	0 4 3	2,060	0 5 6
18. Creamlaid Foolscap . . .	17×13½—10 " .	7,500	0 3 1	8,070	0 3 0	8,050	0 3 9
Draft . . .	17×13½—16 " .	400	0 3 1	460	0 3 0	2,000	0 3 9
19. Blotting paper, pink . . .	22½×17½—30 " .	100	0 4 0	362	0 4 0	280	0 4 6
20. Brown Cartridge . . .	29×22½—30 " .	1,000	0 1 8½	1,000	0 1 8½	1,250	0 2 6
21. Do. . .	17×27—18 " .	..	..	..	..	..	..
22. Unglazed printing . . .	17×27—14 " .	..	..	..	..	3,540	0 3 9
23. Glazed tinted cover paper . . .	23×18—10 " .	..	..	..	..	50	0 4 0
24. Colour papers . . .	....	..	..	..	..	1,500	0 3 10

- (b) *Letter No. D. 6979/I. & C. 197-23, dated the 26th/30th March, 1938, from the Government of His Highness the Maharaja of Mysore, Development Department, Bangalore.*

With reference to your enquiry No. 282, dated the 15th March, 1938, I am directed to state there is no hand-made paper industry in the State.

- (c) *Letter No. 383, dated the 6th April, 1938, from the Tariff Board, Government of His Highness the Maharaja of Mysore, Development Department, Bangalore.*

In continuation of this office letter No. 41, dated the 6th January, 1938, I am directed to say that the Board would feel obliged if you could kindly furnish it with an estimate of the available supply of bamboos, in tons, within the State at an early date.

- (d) *Letter No. D. 8376/I. & C. 197-37-20, dated the 29th April, 1938, from the Government of His Highness the Maharaja of Mysore, Development Department, Bangalore.*

With reference to your letter No. 383, dated the 6th April, 1938, on the above subject, I am directed to state that bamboo is found extensively in the Forests of Sagar, Kadur and Mysore Districts and the estimate of the annual yield of bamboo in those Districts are rough and are based on the character of bamboo growth in some of the important forests of those Divisions. The figures given below are therefore very approximate but may be taken as fairly accurate:—

	Dendrocalamus strictus.	Bambusa arundinacea.
	Tons.	Tons.
Shimoga and Bhadravathi Divisions .	25,860	23,486
Mysore, Kadur and Sagar Divisions .	25,000	27,000
Total .	50,860	50,486

The annual yield may thus be taken at 50,000 tons in respect of each of the two varieties.

(5) *Government of His Highness the Nawab of Bhopal.*

Letter No. 683/15-23/38-A of 1938, dated the 16th June, 1938, from the Government of Bhopal, Political Department, Bhopal.

With reference to your letter addressed to the Secretary, Roubkari Khas Department, Government of Bhopal, regarding the protection of the Bamboo Paper and Paper Pulp Industries, I have the honour to enclose herewith the required particulars about the requirements of the Bhopal Government and purchases made by the State for each year from 1931-32 of:—

- (1) Writing Paper.
- (2) Printing Paper.
- (3) Packing and wrapping paper.
- (4) Miscellaneous paper, such as blotting paper.

No development has been made in the Paper and Paper Pulp Industries in the Bhopal State since 1931-32, I am, however, giving the requisite information (referred to in paragraph 3 of your letter under reply), with four spare copies, seriatim below:—

- (1) There are no paper or paper pulp mills in the State and the establishment of a paper mill by or under the control of the

Government is not contemplated in the near future. But certain interests have applied for permission to investigate the possibilities of establishing a cardboard, straw-board and possibly packing paper industry in the State. This permission has been granted and it is expected that steps will shortly be taken to initiate investigations.

- (2) * * * * *
- (3) Within a radius of 12 miles of Budhni Railway Station (on the G. I. P. Railway) there are bamboos in our forests. The preliminary survey, carried out in 1936, showed that 7,000 tons of bamboos can be had from this area every year. If more quantity is required it will be possible to increase considerably the area under bamboo in these forests. At Budhni, lime and water are also available for a paper pulp factory, and being a Railway Station and near the bamboo area Budhni will be a very suitable place for a paper pulp factory.
- (4) Hydro-electric or other electric power development schemes have not come into existence nor are they under contemplation in connection with the opening of paper mills; but survey for investigation of possibilities of generating hydro-electric power has already taken place as a result of which several sites have been found where such power could be generated and to begin with detailed scheme in respect of one of such sites has been prepared.
- (5) Vide answer No. (1).

Detail of paper purchased from 1st January, 1931, up to the end of 30th December, 1931, from Stationery Department, Bhopal.

Serial No.	Year.	Name of Firm.	Kind of paper.	Total Reams.	Amount.
					Rs. A. P.
1	1931	Bengal Paper Mills	Green 20/26-18 lbs.	3 Reams.	14 0 0
2	1931	Ditto	Badami 17/27-16 "	80 "	} 601 9 0
3	1931	Ditto	" 17/27-18 "	100 "	
4	1931	Upper India Lucknow.	" 26/40-32 "	12 "	81 0 0
5	1931	Ditto	" 26/40-40 "	12 "	93 12 0
6	1931	Ditto	Brown paper 26/40-40 "	12 "	82 8 0
7	1931	Bengal Paper Mills	Kraft paper 29/44-60 "	3 "	42 3 0
8	1931	Bankey Beharilal Cawnpore.	Badami 17/27-16 "	12 "	36 0 0
9	1931	Upper India, Lucknow.	" 17/27-16 "	12 "	} 127 12 0
10	1931	Ditto	" 20/26-20 "	24 "	

Detail of paper purchased from 1st January, 1931, up to the end of 30th December, 1931, from Stationery Department, Bhopal—contd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Total Reams.	Amount.
					Rs. A. P.
11	1931	Bengal Paper Mills	Badami 17/27-16 lbs.	5 Reams.	15 10 9
12	1931	Bankey Beharilal Cawnpore.	" 20/26-20 "	24 "	90 0 0
13	1931	Bengal Paper Mills	" 17/27-16 "	12 "	58 8 0
14	1931	Ditto .	" 20/26-20 "	6 "	
15	1931	Ditto .	" 20/26-20 "	18 "	67 8 0
16	1931	Ditto .	" 17/27-16 "	12 "	131 4 0
17	1931	Ditto .	" 20/26-18 "	24 "	
18	1931	Ditto .	White Blotting paper 60 "	1 "	37 14 9
19	1931	Ditto .	Blue Blotting paper 40 "	2 "	
20	1931	Chintamani J. Gandhi.	Badami 17/27-16 "	10 "	29 3 6
21	1931	Ditto .	" 17/27-20 "	10 "	34 6 0
22	1931	Ditto .	" 17/27-24 "	5 "	20 10 0
23	1931	Ditto .	" 27/40-40 "	6 "	61 12 0
24	1931	Ditto .	" 20/27-20 "	12 "	
25	1931	Bengal Paper Mills	" 17/27-16 "	25 "	258 12 0
26	1931	Ditto .	" 17/27-24 "	20 "	
27	1931	Ditto .	" 20/26-20 "	25 "	
28	1931	Ditto .	" 20/26-16 "	10 "	31 4 0
29	1931	Ditto .	" 17/27-24 "	5 "	80 0 0
30	1931	Ditto .	" 20/26-24 "	15 "	
31	1931	Ditto .	Kraft Brown 29/44-70 "	1 "	16 6 0
32	1931	Upper India, Lucknow.	Badami 26/40-45 "	5 "	42 12 0
33	1931	Bengal Paper Mills	" 17/27-16 "	50 "	208 7 0
34	1931	Ditto .	" 17/27-24 "	15 "	
35	1931	Titaghur Paper Mills.	" 17/27-16 "	25 "	125 10 0
36	1931	Ditto .	" 17/27-18 "	15 "	

Detail of paper purchased from 1st January, 1931, up to the end of 30th December, 1931, from Stationery Department, Bhopal—concl'd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Total Reams.	Amount.
					Rs. A. P.
37	1931	Upper India Lucknow.	Green 20/26-24 lbs.	4 Reams.	24 4 0
38	1931	Bengal Paper Mills	Badami 17/27-16 "	100 "	287 8 0
39	1931	Ditto	" 20/26-16 "	100 "	300 0 0
40	1931	Ditto	Kraft paper "	2 "	9 13 0
41	1931	Ditto	Badami 17/27-16 "	200 "	575 0 0
42	1931	Ditto	" 20/26-16 "	100 "	300 0 0
43	1931	Upper India Lucknow.	" 17/27-16 "	100 "	303 5 4
44	1931	Bengal Paper Mills	Badami 20/26-16 "	50 "	150 0 0
45	1931	Ditto	" 17/27-16 "	100 "	285 8 0
46	1931	Titaghur Paper Mills.	" 20/26-16 "	100 "	300 0 0
47	1931	Ditto	" 17/27-16 "	100 "	287 8 0
48	1931	Bengal Paper Mills	Foolscape white ruled 16 "	10 "	37 14 9
49	1931	Ditto	Foolscape Badami 17/27-14 "	10 "	43 2 0
50	1931	Ditto	Badami 26/40-32 "	50 "	300 0 0
51	1931	Ditto	" 17/27-16 "	32 "	} 143 12 0
52	1931	Ditto	" 17/27-16 "	18 "	
			Grand Total	..	5,746 7 8

Detail of paper purchased in 1932 (from 1st January, 1932, to the end of December, 1932), Stationery Department, Bhopal.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.
					Rs. A. P.
1	1932	Titaghur Mills.	paper Badami 17/27-34 lbs.	56 Reams	241 8 0
2	1932	Ditto	„ 17/27-16 „	50 „	143 12 0
3	1932	Ditto	„ 20/26-16 „	150 „	450 0 0
4	1932	Ditto	„ 26/40-32 „	50 „	300 0 0
5	1932	Ditto	Brown paper 14/29-80 „	13 „	154 6 0
6	1932	Ditto	Badami 20/26-16 „	150 „	450 0 0
7	1932	Ditto	Red paper 22/29-22 „	3 „	14 0 0
8	1932	Ditto	Badami 20/26-16 „	150 „	450 0 0
9	1932	Ditto	Blue Blotting 18/22 „	1 „	10 0 0
10	1932	Ditto	„ 18/22-60 „	12 „	208 2 0
11	1932	Deccan paper Mills Poona.	White paper 17/27-16 „	400 „	1,600 0 0
12	1932	Ditto	Badami 20/26-18 „	100 „	300 0 0
13	1932	Ditto	„ 17/27-16 „	350 „	933 5 4
14	1932	Ditto	„ 26/40-36 „	300 „	1,800 0 0
15	1932	Ditto	„ 20/26-18 „	220 „	660 0 0
16	1932	Ditto	„ 17/27-16 „	108 „	288 0 0
17	1932	Ditto	„ 17/27-16 „	1,042 „	2,778 10 3
18	1932	Ditto	„ 20/26-18 „	180 „	540 0 0
19	1932	Ditto	White paper 17/27-16 „	150 „	525 0 0
20	1932	Haira Trading Co., London.	Badami 17/27-16 „	2,140 „	2,911 0 0
21	1932	Ditto	„ 17/27-24 „	226 „	461 1 9
22	1932	Ditto	„ 20/26-18 „	1,106 „	1,692 15 6
23	1932	Ditto	White Foolscap 12 „	672 „	1,130 6 4
24	1932	Ditto	Bank paper 18/22-26 „	110 „	399 14 0

Detail of paper purchased in 1932 (from 1st January, 1932, up to the end of December, 1932), Stationery Department, Bhopal—contd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.
					Rs. A. P.
25	1932	Hira Trading Co., London.	Blotting paper 60 lbs.	10 Reams	213 6 3
26	1932	Ditto	Mainala paper 20/26-40 „	6 „	106 13 6
27	1932	Ditto	Blue cloth line paper 25/40-155 „	4 „ 18 Sheets	188 6 0
28	1932	Ditto	Croxley paper 17/27-24 „	15 Reams	159 10 0
29	1932	Ditto	White Foolscap 12 „	22 „	63 7 0
30	1932	Ditto	White Note paper 13/27	5 „	89 6 0
31	1932	Ditto	White paper 17/27-19 „	197 „	574 10 6
32	1932	Ditto	White paper 17/27-16 „	666 „	1,631 3 0
33	1932	Ditto	Parcel paper	14 „ 11 Qr.	87 6 9
			Grand Total	..	21,557 6 0

Detail of paper purchased in 1933 (from 1st January, 1933 up to the end of December, 1933), Stationery Department, Bhopal.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.
					Rs. A. P.
1	1933	Bengal Paper Mills	Pin paper 20/29-22 lbs.	3 reams	} 26 1 0
2	1933	Ditto	Green ditto	2 „	
3	1933	Ditto	Ruler paper 12 lbs.	3 „	
4	1933	John Dickinson	White 20/27-17 lbs.	3 „	} 13 2 0
5	1933	Ditto	Green ditto	3 „	
6	1933	Ditto	White paper 27/40-38 lbs.	26 „	84 14 6
7	1933	Asghar Husain Bhopal.	White 12 lbs. ruled	1 „	2 6 0

Detail of paper purchased in 1933 (from 1st January, 1933, up to the end of December, 1933), Stationery Department, Bhopal—contd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.
					Rs. A. P.
8	1933	John Dickinson .	White 27/40-24 lbs. .	44 Reams	110 0 0
9	1933	Ditto . .	Ditto . .	22 „	55 0 0
10	1933	Titaghur Paper Mills.	White Ruled F'cap .	{ 29 „ 13 Qr.	{ 79 11 9
11	1933	Ditto . .	Badami 17/27-16 lbs. .	275 „	524 11 3
12	1933	Ditto . .	„ 20/26-18 „ .	171 „	392 12 3
13	1933	Bengal Paper Mills	„ 17/27-16 „ .	50 „	102 1 3
14	1933	Titaghur Paper Mills.	„ 20/26-18 „ .	35 „	80 6 3
15	1933	Ditto . .	„ 17/27-16 „ .	93 „	189 14 0
			Grand Total		1,669 8 9

Detail of paper purchased in 1934 (from 1st January, 1934, up to the end of December, 1934), Stationery Department, Bhopal.

Serial No.	Year.	Name of firm.	Kind of paper.	Quantity.	Amount.
					Rs. a. p.
1	1934	Titaghur Paper Mills.	Badami 17/27-16 lbs. .	{ 55 Reams 12 Qr.	{ 113 9 0
2	1934	Nathan & Co., Bhopal.	White 30/40-50 „ .	10 Reams	46 14 0
3	1934	Bengal Paper Mills	„ ruled 12 „ .	1 Ream	2 13 0
4	1934	Titaghur Paper Mills.	Badami 17/27-16 „ .	1,157 Reams	{ 3,446 5 3
5	1934	Ditto . .	„ 20/26-18 „ .	472 „	{
6	1934	Ditto . .	White ruled 12 „ .	19 Qr. 9 Sh.	2 9 3
7	1934	Ditto . .	Badami 17/27-16 „ .	120 Reams	245 0 0
8	1934	Ditto . .	Ditto . .	11 „	22 7 3
9	1934	Ditto . .	White 12 lbs. .	124 „	{ 1,171 12 0
10	1934	Ditto . .	„ 17/24-24 lbs. .	156 „	{

Detail of paper purchased in 1934 (from 1st January, 1934, up to the end of December, 1934), Stationery Department, Bhopal—contd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.		
					Rs. a. p.		
11	1934	Titaghur Paper Mills.	White 12 lbs. ruled .	25 Reams	67	3	0
12	1934	Bengal Paper Mills	Badami 20/26-18 lbs. .	50 ,,	112	8	0
13	1934	Titaghur Paper Mills.	White 20/26-24 ,, .	25 ,,	291	2	3
14	1934	Ditto .	,, 20/26-28 ,, .	25 ,,			
15	1934	Bengal Paper Mills	Blotting paper 36 ,,	4 ,,	38	10	0
16	1934	Titaghur Paper Mills.	Badami 17/27-16 ,, .	583 ,,	1,190	4	9
17	1934	Mohd. Husain, Bhopal.	White ruled 10 ,, .	1 Ream	2	12	0
18	1934	Bengal Paper Mills	Badami 17/27-16 ,, .	35 Reams	120	8	3
19	1934	Ditto .	,, 20/26-18 ,, .	25 ,,			
20	1934	Mohd. Husain, Bhopal.	Coloured 20/26 .	2½ ,,	9	1	0
21	1934	Bengal Paper Mills	Badami 20/26-18 lbs. .	25 ,,	54	2	9
22	1934	Titaghur Paper Mills.	,, 17/27-16 ,, .	19 ,,	38	12	9
23	1934	Bengal Paper Mills	Pink Paper 18/23-12½ lbs.	6 ,,	17	0	0
24	1934	Ditto .	White 12 lbs. F'cap .	50 ,,	134	6	0
25	1934	Ditto .	Bank Paper 18/23-18 lbs.	5 ,,	31	14	0
26	1934	Deccan Paper Mills	Poona Badami 17/27-16 lbs.	140 ,,	256	10	8
27	1934	Titaghur Paper Mills.	White 12 lbs. F'cap .	50 ,,	134	6	0
28	1934	Ditto	,, 20/27-40 lbs. .	8 ,,	62	8	0
29	1934	Bengal Paper Mills	Pink Blotting 36 lbs. .	6 ,,	57	15	0
Grand Total .					7,674	2	2

Detail of paper purchased in 1935 (from 1st January, 1935, up to the end of December, 1935), Stationery Department, Bhopal.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.
					Rs. a. p.
1	1935	Bengal Paper Mills	Badami 17/27-16 lbs.	80 Reams.	163 5 3
2	1935	Mohd. Husain, Bhopal.	White ruled 12 "	12 Qr.	1 10 6
3	1935	Titaghur Paper Mills.	Badami 17/27-16 "	148 Reams.	302 2 9
4	1935	Ditto .	Ditto . .	148 "	302 2 9
5	1935	United India Co., Bombay.	White ruled 12 lbs.	1 Ream	5 12 0
6	1935	Bengal Paper Mills	Badami 20/26-18 "	125 Reams	} 858 12 6
7	1935	Ditto .	" 17/27-16 "	280 "	
8	1935	Ditto .	White 17/27-16 "	30 "	107 8 0
9	1935	Ditto .	Badami 20/26-18 "	60 "	137 13 0
10	1935	Titaghur Paper Mills.	" 17/27-16 "	415 "	847 4 9
11	1935	Ditto .	White 17/27-24 "	30 "	161 4 0
12	1935	Deccan Paper Mills	Badami 17/27-16 "	275 "	504 2 8
13	1935	Ditto .	" 20/26-18 "	120 "	247 8 0
14	1935	Ditto .	White 17/27-16 "	25 "	91 10 8
15	1935	Ditto .	" 17/27-20 "	15 "	68 12 0
16	1935	Ditto .	Badami 16 lbs. .	5 "	9 2 8
17	1935	Bengal Paper Mills	White ruled 12 lbs. .	2 "	5 6 0
18	1935	Titaghur Paper Mills.	" " 17/27-24 lbs.	50 "	} 492 11 3
19	1935	Ditto .	" 17/27-20 lb. .	65 "	
20	1935	Bengal Paper Mills	" 17/27-24 " .	50 "	268 12 0
21	1935	Ditto .	Badami 17/27-16 lbs.	200 "	408 5 3
22	1935	Deccan Paper Mills	Ditto . .	400 "	733 5 4
23	1935	Titaghur Paper Mills.	White 17/27-16 lbs. .	50 "	179 2 9
24	1935	Ditto .	Bank Post 17/27-16 lbs.	20 "	79 2 9
25	1935	Bengal Paper Mills	White 17/27-16 lbs. .	50 "	179 2 9
26	1935	Ditto .	Bank Post 18/23-16 lbs.	20 "	79 2 9
27	1935	Mohd. Husain, Bhopal.	Blotting paper . .	4 Qr. 4 Sheet.	3 2 0

Detail of paper purchased in 1935 (from 1st January, 1935, up to the end of December, 1935), Stationery Department, Bhopal—contd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.	
					Rs.	a. p.
28	1935	Bengal Paper Mills	White 17/27-16 lbs. .	66 Reams.	236	8 0
29	1935	Upper India, Lucknow.	„ 12 lbs. .	150 „	389	1 0
30	1935	Ditto	„ ruled 12 lbs. .	50 „	135	15 0
31	1935	Ditto	„ 17/27-16 lbs. .	36 „	186	12 0
32	1935	Ditto	Blotting 38 „ .	6 „	57	0 0
33	1935	Ditto	White 17/27-16 „ .	50 „	172	14 8
34	1935	Ditto	Ditto „ .	50 „	172	14 8
35	1935	Ditto	White 17/27-20 lbs. .	25 „	229	1 10
36	1935	Ditto	„ 17/27-16 „ .	25 „		
37	1935	Deccan Paper Mills	Badami 20/26-17 „	100 „	206	4 0
38	1935	Ditto	„ 17/27-16 „	48 „	88	0 0
39	1935	Ditto	Ditto „ .	150 „	275	0 0
40	1935	Ditto	Badami 20/26-18 lbs.	50 „	103	2 0
41	1935	Ditto	Ditto „ .	156 „	321	12 0
42	1935	Upper India, Lucknow.	White 17/27-20 lbs. .	40 „	302	9 8
43	1935	Ditto	„ 12 lbs. F'cap .	50 „		
44	1935	Ditto	Blotting 38 lbs. .	6 „	57	0 0
45	1935	Deccan Paper Mills	Badami 20/26-18 lbs. .	164 „	338	4 0
46	1935	Ditto	„ 17/27-16 „ .	150 „	275	0 0
47	1935	Upper India, Lucknow.	White 17/27-16 „ .	100 „	345	13 4
48	1935	Bengal Paper Mills	Pink paper 18/22-24 lbs.	8 „	26	8 9
49	1935	Upper India, Lucknow.	White 17/27-16 lbs. .	100 „	799	11 10
50	1935	Ditto	„ 20/26-18 „ .	30 „		
51	1935	Ditto	„ 17/27-16 „ .	40 „		
52	1935	Ditto	„ 12 lbs. F'cap .	50 „	26	14 0
53	1935	Ditto	„ ruled Ditto „ .	10 „		
54	1935	Ditto	White 17/27-16 lbs. .	100 „	345	13 4
Grand Total					11,328	9 8

Detail of paper purchased in 1936 (from 1st January, 1936, up to the end of December, 1936), Stationery Department, Bhopal.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.		
					Rs. A. P.		
1	1936	Deccan Paper Mills.	Badami 17/27-16 lbs.	1,110 Reams	2,035	0	0
2	1936	Ditto . .	„ 20/26-18 „	360 „	742	8	0
3	1936	Ditto . .	„ 26/40-30 „	10 „	46	14	0
4	1936	Upper India, Lucknow.	White F'cap 12 „	50 „	412	2	0
5	1936	Ditto . .	„ 17/27-16 „	25 „			
6	1936	Ditto . .	„ 17/27-20 „	25 „			
7	1936	Ditto . .	„ 17/27-24 „	16 „			
8	1936	Titaghur Paper Mills.	„ 17/27-16 „	30 „	108	12	0
9	1936	Deccan Paper Mills.	Badami 17/27-16 „	125 „	270	13	4
10	1936	Ditto . .	„ 20/26-18 „	25 „	60	15	0
11	1936	Cama Norton & Co., Bombay.	Gum paper 18/23 „	2 „	34	0	0
12	1936	Mohd. Husain, Bhopal.	F'cap ruled „	1 „	3	0	0
13	1936	Titaghur Paper Mills.	Badami 20/26-18 lbs.	259 „	1,432	13	6
14	1936	Ditto . .	„ 17/27-16 „	341 „			
15	1936	Ditto . .	Ditto. . .	213½ „			
16	1936	Mohd. Husain, Bhopal.	White 17/27-24 lbs.	6 „	24	0	0
17	1936	Titaghur Paper Mills.	Badami 17/27-16 „	150 „	337	8	0
18	1936	Ditto . .	Cartridge paper 20/26-40 lbs.	12 „	93	12	0
19	1936	Mohd. Husain, Bhopal.	Blotting paper . .	2 Qr.	1	10	0
20	1936	Titaghur Paper Mills.	White 17/27-16 lbs.	200 Reams.	725	0	0
21	1936	Ditto . .	„ 17/27-24 „	20 „	108	12	0
22	1936	Upper India, Lucknow.	Thin paper 20/26-20 lbs.	15 „	65	10	0

Detail of paper purchased in 1936 (from 1st January, 1936, up to the end of December, 1936), Stationery Department, Bhopal—contd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.
					Rs. A. P.
23	1936	Bengal Paper Mills	Bank Pink 18/23-18 lbs. . . .	4 Reams	37 14 0
24	1936	Ditto . .	Post Blue 18/23-18 lbs.	4 "	
25	1936	Titaghur Paper Mills.	Bank paper, green 18/23-14 lbs.	6 "	36 13 3
26	1936	Ditto . .	Bank paper, yellow 18/23-14 lbs.	4 "	
27	1936	Ditto . .	White F'cap 12 lbs.	366 "	995 1 0
28	1936	Upper India, Lucknow.	Blotting 38 "	10 "	95 15 10
29	1936	Ditto . .	Badami 17/27-24 "	25 "	89 1 0
30	1936	Titaghur Paper Mills.	White F'cap ruled 12 lbs. . . .	21 "	57 1 0
31	1936	Upper India, Lucknow.	Blotting 38 lbs.	5 "	78 4 11
32	1936	Ditto . .	" 60 "	2 "	
33	1936	Bengal Paper Mills	White 17/27-16 "	50 "	181 4 0
34	1936	Ditto . .	Bank post 18/23-16 lbs. . . .	20 "	83 5 3
35	1936	United India Co., Bombay.	Coloured yellow paper.	25 "	32 13 0
36	1936	Upper India, Lucknow.	Blue paper 18/22-12 lbs.	78 "	375 4 0
37	1936	Ditto . .	Orange 18/22-12 lbs.	30 "	
38	1936	Ditto . .	Green 20/26-16 "	21 "	145 0 0
39	1936	Titaghur Paper Mills.	White 20/30-28 "	10 "	
40	1936	Ditto . .	" 20/26-24 "	15 "	487 10 0
41	1936	Ditto . .	Ledger paper 17/27-24 lbs. . . .	83 "	
42	1936	Bombay Stationery Mart.	Art paper 20/27-32 lbs.	5 "	42 8 0
43	1936	Titaghur Paper Mills.	White 20/26-20 "	15 "	644 5 4
44	1936	Ditto . .	" 17/27-24 "	27 "	
45	1936	Ditto . .	" F'cap 12 "	158 "	

Detail of paper purchased in 1936 (from 1st January, 1936, up to the end of December, 1936), Stationery Department, Bhopal—concl'd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity,	Amount.
					Rs. A. P.
46	1936	Titaghur Paper Mills.	F'cap ruled, 12 lbs.	21 Reams	57 1 0
47	1936	Ditto . .	Ditto . .	2 „	5 7 0
48	1936	Ditto . .	Badami 17/27-16 lbs.	1,821 „	} 3,053 2 8
49	1936	Ditto . .	„ 20/26-18 „	400 „	
50	1936	Ditto . .	„ 17/27-24 „	25 „	
51	1936	Ditto . .	„ 26/40-32 „	50 „	245 13 3
52	1936	Ditto . .	White F'cap 16 „	5 „	18 2 0
53	1936	Ditto . .	„ 17/27-16 „	35 „	158 8 6
54	1936	Salehbhoy, Bombay	Kraft paper 24/36-18 „	2 „	6 8 0
55	1936	Titaghur Paper Mills.	Ledg r, Blue 17/27-24 „	18 „	105 12 0
56	1936	Ditto . .	Duplicator paper 8/13-61 „	10 „	17 8 0
57	1936	Ditto . .	Cover paper 20/30-60. „	1 „	14 1 0
58	1936	Deccan Paper Mills	White 20/27-40 „	5 „	45 0 0
59	1936	Ditto . .	„ 17/27-24 „	20 „	108 12 0
60	1936	Ditto . .	„ 20/26-16 „	20 „	75 13 4
Grand Total				.	14,272 10 7

Detail of paper purchased in 1937 (from 1st January, 1937, up to the end of December, 1937), Stationery Department, Bhopal.

Serial No.	Year.	Name of Firm,	Kind of paper.	Quantity.	Amount.
					Rs. A. P.
1	1937	Gama Norton & Co., Bombay.	Gum paper 18/23.	2 Reams.	34 0 0
2	1937	Deccan Paper Mills.	White 20/26-24 lbs.	25 „	135 15 0
3	1937	Upper India, Lucknow.	Badami 17/27-16 „	300 „	785 8 0

Detail of paper purchased in 1937 (from 1st January, 1937, up to the end of December, 1937), Stationery Department, Bhopal—contd.

Serial No.	Year.	Name of Firm,	Kind of paper.	Quantity.	Amount.	
					Rs. A. P.	
4	1937	Titaghur Paper Mills.	F'cap ruled 12 lbs.	1 Reams.	2	14 6
5	1937	Ditto .	White 20/26-24 "	25 "	135	15 0
6	1937	Ditto .	Badami 17/27-16 "	300 "	700	0 0
7	1937	Ditto .	" 20/26-18 "	75 "	196	14 0
8	1937	Ditto .	" 20/26-18 "	28 "	68	4 0
9	1937	Deccan Paper Mills.	" 26/40-32 "	50 "	262	8 0
10	1937	Ditto .	" 20/26-18 "	98 "	289	6 6
11	1937	Ditto .	White 17/27-16 "	34 "	127	14 8
12	1937	Bengal Paper Mills	" F'cap 12 "	150 "	710	15 0
13	1937	Ditto .	" 17/27-24 "	40 "		
14	1937	Ditto .	" F'cap 12 "	20 "		
15	1937	Upper India, Lucknow.	Blotting 38 "	12 "	167	4 6
16	1937	Ditto .	" 60 "	3 "		
17	1937	Ditto .	Badami 17/27-24 "	50 "	196	14 0
18	1937	Deccan Paper Mills.	" 20/26-18 "	102 "	301	3 6
19	1937	Ditto .	White 17/27-16 "	166 "	250	4 0
20	1937	Titaghur Paper Mills.	Art paper 20/27-32 "	26½ "	205	6 0
21	1937	Kamta Prasad, Indore.	Badami 17/27-24 "	49 "	248	1 0
22	1937	Upper India, Lucknow.	" 17/27-16 "	275 "	721	14 0
23	1937	Kamta Prasad, Indore.	White 17/27-20 "	10 "	54	2 8
24	1937	Ditto .	Badami 17/27-16 "	220 "	742	8 0
25	1937	Ditto .	" 26/40-36 "	48 "	364	8 0
26	1937	Ditto .	" 20/27-18 "	36 "	136	11 0

Detail of paper purchased in 1937 (from 1st January, 1937, up to the end of December, 1937), Stationery Department, Bhopal—concd.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.		
					Rs. A. P.		
27	1937	Titaghur Paper Mills.	Badami 20/26-18 lbs.	3½ Reams	10	5	6
28	1937	Kamta Prasad, Indore.	„ 17/27-24 „	40 „	253	2	0
29	1937	Ditto .	„ 17/27-16 „	240 „	810	0	0
30	1937	Ditto .	„ 17/27-16 „	240 „	810	0	0
31	1937	Ditto .	„ 17/27-16 „	160 „	540	0	0
32	1937	Ditto .	Ledger paper, white 22/30-54. „	1 „	18	9	0
33	1937	Ditto .	White 17/27-16 „	7 „	30	10	0
34	1937	Deccan Paper Mills.	Badami 17/27-16 „	400 „	1,050	0	0
35	1937	Ditto .	White 20/26-18 „	25 „	106	10	3
36	1937	Ditto .	„ 17/27-16 „	150 „	587	0	0
37	1937	Ditto .	„ 17/27-16 „	84 „	329	0	0
38	1937	Titaghur Paper Mills.	Ledger Blue 17/27-24 „	105 „	767	13	0
39	1937	Deccan Paper Mills.	Badami 20/26-18 „	20 „	64	11	0
40	1937	Kamta Prasad, Indore.	White 17/27-24 „	7 „	45	15	0
41	1937	Deccan Paper Mills Co.	„ 17/27-24 „	150 „	881	4	0
42	1937	Ditto .	„ 17/27-16 „	112 „	438	10	8
43	1937	Kamta Prasad, Indore.	Badami 20/26-20 „	10 „	37	15	6
44	1937	United India Co., Bombay.	Kraft paper 36/46-24 „	12 „	100	8	0
45	1937	Ditto .	Blotting paper 38 „	3 „	21	12	0
46	1937	Kamta Prasad, Indore.	White 17/27-24 „	8 „	56	8	0
Grand Total					13,802	5	3

List of paper purchased in 1938 (from 1st January, 1938, up to the end of March, 1938), Stationery Department, Bhopal.

Serial No.	Year.	Name of Firm.	Kind of paper.	Quantity.	Amount.
					Rs. A. P.
1	1938	Titaghur Paper Mills.	Badami 17/27-20 lbs.	156 Reams.	633 12 0
2	1938	Kamta Prasad, Indore.	White 17/27-24 "	8 "	56 8 0
3	1938	Agra Paper Mart .	Badami 20/26-20 "	50 "	203 2 0
4	1938	Upper India, Lucknow.	" 26/40-32 "	15 "	86 4 0
5	1938	Titaghur Paper Mills.	" 20/26-18 "	53 "	193 12 0
6	1938	Ditto	" 17/27-16 "	147 "	477 12 0
7	1938	Mohd. Husain, Bhopal.	Feap ruled 8 "	2 "	5 12 0
8	1938	Bengal Paper Mills	Ditto 12 "	10 "	} 36 6 0
9	1938	Ditto	Ditto 12 "	2 "	
10	1938	Titaghur Paper Mills.	Badami 17/27-16 "	194½ "	} 1,356 1 0
11	1938	Ditto	" 20/26-17 "	198 "	
12	1938	Ditto	" 26/40-32 "	15 "	101 4 0
13	1938	Deccan Paper Mills, Poona.	White 17/27-16 "	75 "	293 12 0
Grand Total					3,444 5 0

(6) *Government of His Highness the Maharaja of Travancore.*

Letter D. Dis. No. 682—38-Devpt., dated the 16th March, 1938, from the Chief Secretary to Government of Travancore, Trivandrum.

With reference to your letter No. 41, dated the 5th January, 1938, regarding the supply of information about the requirements of paper by the Government of Travancore, I have the honour to forward herewith the statements, noted at foot, furnishing the information called for.

2. The questionnaires for manufacturers, importers, etc., received with your letter quoted above, were forwarded to the Manager, the Punalur Paper Mills, Ltd. A copy of his reply dated the 1st March, 1938, with the enclosures thereto, is enclosed :—

(1) Statement of purchases of paper of different classes made by the Government for each year from 1931-38 (*vide* paragraph 2 of the letter); and

- (2) Statement furnishing information on the 5 points regarding the development of the paper and paper pulp industries in the State (*vide* paragraph 3 of the letter).

Enclosure I.

Copy of letter dated the 1st March, 1938, from the Manager, Punalur Paper Mills, Ltd., to the Chief Secretary to Government.

I am in receipt of your letter of the 25th ultimo and enclose herewith copies of the following:—

- (1) Copy of our Memorandum dated the 12th July, 1935, to the Tariff Board.
- (2) Copy of our statement of production during 1936 supplied to the South Indian Export Co., Madras (Agents to the Titaghur Paper Mills).
- (3) Copies of reports* presented by the Indian Paper Makers Association to the Tariff Board, of which we have been recently enlisted as members.

The position of the Travancore State regarding protective duty is indicated in page 5 of the Memorandum. Answer to question No. 34.

From the various representations made by me to Government, you may be aware that we could not reach a satisfactory stage of production till last year. Messrs. A. & F. Harvey of Madras have now taken up the Managing Agency of the Mills and our production is gradually increasing on account of the financial help rendered by them. It is under proposals bring up the production to 3,600 tons per annum and for the additional power required, it is proposed to get power from Pallivasal.

We are looking forward to Government to secure for us sufficient reeds and firewood to manufacture 3,600 tons annually.

The lines of our progress will be more or less similar to those suggested by Mr. Bhargava in his report.

PUNALUR PAPER MILLS, LTD., PUNALUR.

12th July, 1935.

Memorandum submitted to the Tariff Board.

Ever since the introduction of protective duty by the Government of India on certain classes of paper which are the main production of the Indian Mills, the North Indian Mills were able to derive considerable advantage and to improve the conditions of their industry. They had also the chance of securing constantly large orders from the respective Governments in which their mills are located. The Government is the best and most satisfactory customer. They understand the Paper-makers' difficulties and allow a liberal margin in order to enable them to work at a profit. We understand that the North Indian Mills have been able to secure very large orders from Governments and they have to find market only for the surplus they manufacture. Unfortunately for us, we are unable to secure this advantage.

The Travancore Government, in whose jurisdiction our mill is located, are unable to place with us large orders owing to the fact that they have

* Printed with representations submitted by Indian Paper Makers' Association, Calcutta.

to calculate for comparative purposes rates on foreign paper at c.i.f. basis with the rates of Indian made paper with the result one of the North Indian Mills quoted a much cheaper rate to the Travancore Government when they were able to sell their paper to the Madras and Bengal Governments at higher rates, inspite of the fact that freight to Travancore on their paper is more than the rate for supplying to other British Governments. The Travancore Government was surprised to find that our mill situated in their State should have quoted a higher rate than another Indian Mill and it was with great difficulty we were able to convince the Travancore Government that the rates quoted to them by the Indian Mills were at the risk of incurring loss. Inspite of our appeal to Government regarding this matter, the Government were unable to purchase from us any considerable quantity as the protective duty on paper is not calculated as an additional price on the imported paper. At the same time it has to be mentioned that we have to pay duty on chemicals and all other materials we import for the manufacture of paper. The Travancore Government are, no doubt, sympathetic towards us, but for want of Budget sanction, they could only purchase from us very small quantity of paper for their annual requirements. Our sales, therefore, depend on the demand from the public.

We tried to become members of the Paper Sales Association of India, but could not succeed in our attempt.

We are manufacturing here many varieties of paper, but our main production is brown for packing purposes. India requires considerable quantities of brown and kraft papers for wrapping and the demand for these qualities will increase steadily in course of time. However, in this line of business also, a change to the disadvantage of Indian production has set in, in recent years. One side glazed kraft paper has captured the market in place of brown paper of Indian manufacture. Most of the cotton mills in India and other large consumers of kraft in India are getting their requirements from Sweden. Our opinion is that it is possible to manufacture kraft brown in India from bamboos and reeds but this requires special machines which will be imported and installed, provided Government will render sufficient help.

With regard to the manufacture of white paper from bamboo and reeds, we are able to produce good quality paper and our only difficulty is that the paper manufactured from reeds does not bulk as much as grass paper. This is at present our disadvantage and we are still experimenting to find out how it will be possible for us to get more bulking paper from reeds.

At present most of the mills in India are manufacturing chemical pulp. The inferior varieties of paper are made mostly by blending with this chemical pulp waste paper, etc., India requires very large quantities of News Prints and most of the vernacular books are printed on News Print Paper. We believe that bamboos can be treated mechanically to manufacture News Print and our experiments are not without hopes. The experiments require large capital and the Government at the present moment ought to make all arrangements to conduct these experiments.

In the Paper Makers' Conference held at Calcutta on the 13th March, it was decided as follows:—

'Manufacture of Mechanical Pulp from Bamboos.—In view of the fact that a major portion of the imported paper consists of the cheaper and unprotected variety, in the manufacture of which mechanical wood pulp is largely used, it is considered of great importance that the possibilities of producing mechanical pulp from Bamboos should be explored, so as to render the manufacture of cheaper varieties of papers in this country a feasible and economic proposition."

The increase in the production of paper similar to the varieties now manufactured in India will eventually lead to unhealthy competition among the India Mills themselves and the result will be to the disadvantage of the existing Mills.

We are, therefore, of opinion that the import duty should be imposed uniformly on all varieties of paper imported into India, so that India may be able to manufacture most of the News Prints and other varieties required.

Production during 1936.

(Figures given to the South Indian Export Co.)

Quality.	Tons.	cwts.	lbs.
Badami . . .	21	17	88½
Blue . . .	...	7	11
Writing paper . .	49	9	32½
Bleached printing . .	57	12	84
Brown . . .	147	10	89
Total . .	276	17	81½

N.B.—We had to restrict our production for want of orders and financial difficulty.

Enclosure II.

Statement regarding the development of the paper and paper pulp industries in the State, 1931-32.

1. The number of paper mills existing is one, viz., the Punalur Paper Mills, Ltd., Punalur.
2. The existing mill is working.
3. Malayattur Forest Division in the State (Northern Division).
4. The Travancore Pallivasal Hydro-electric Project which is in the course of construction is expected to come into operation soon.
5. Concessions in the matter of collection of reeds have been granted to the Punalur Mills, Ltd.

सत्यमेव जयते

Enclosure III. *Details of papers purchased by the Government of Travancore during the years 1931 to 1938.*

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	Average rate per lb.		Remarks.
<i>Writing papers.</i>	<i>Rms.</i>									
Foolscap size 16 lbs. C/L.	250	..	..	..	..	..	..	0 3 0		Foreign paper.
Do. 14 "	500	350	300	300	316	..	160	0 2 3		Do.
Do. 12 "	2,350	2,150	2,500	3,000	2,184	..	1,000	0 2 3		Do.
Do. 10 "	2,250	2,000	3,000	2,500	..	..	1,000	0 2 3		Do.
Do. 9 "	3,000	2,000	3,000	1,000	981	..	..	0 2 3		Do.
Do. 7 "	3,000	1,500	2,000	3,000	4,000	3,500	3,500	0 2 3		Do.
Typewriting paper thin, Foolscap cut 3 lbs.	80	600	..	500	432	600	200	0 3 0 per ream.		Do.
Letter papers, different sorts	100	175	60	50	76	100	..	15 0 0		
Note paper, " "	175	100	90	68	100	25	..	15 0 0 per 1,000		Foreign paper.
Envelopes to match . Pkts	5,500	3,500	3,000	2,300	2,800	2,000	..	20 0 0		
Sectional lines paper . .	50	50	..	..	..	40	25	12 0 0 lb.		
Foolscap 10 lbs. Badami Rms.	..	..	2,000	3,000	1,915	..	2,000	0 1 9		Indian paper.
Do. 10 lbs. C/Laid . .	..	..	..	..	1,000	..	..	0 3 0		Do.
Do. 9 " Badami . .	..	..	2,000	3,000	1,019	..	..	0 1 9		Do.
Bank paper 15 lbs. . .	..	..	..	..	40	..	..	0 2 10		Do.

Details of papers purchased by the Government of Travancore during the years 1931 to 1938.

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	Average rate per lb.	Remarks.
<i>Printing papers—contd.</i>									
Royal 40 to 44 lbs. paper .	1,300	350	..	..	..	600	600	0 2 1	Foreign paper.
Do. 22 lbs. .	350	..	..	..	..	..	..	0 3 6	Do.
Do. 26 lbs. .	500	500	..	600	800	300	650	0 3 6	Do.
Double Super Royal, 50 lbs.	100	..	100	..	..	..	..	0 3 0	Do.
Double Crown . 28 "	705	390	..	..	..	..	..	0 3 0	Do.
Double Royal . 40 "	200	..	..	..	..	..	..	0 3 6	Do.
Double Crown Latimer 36 "	40	..	..	30	15	..	..	0 4 0	Do.
Double Crown . 26 "	330	..	..	..	1,000	2,000	..	0 2 6	Do.
Do. . 24 "	..	230	1,000	1,000	..	..	2,000	0 2 6	Indian made.
Do. . 32 "	..	..	..	..	..	..	2,000	0 2 6	Do.
Royal . . 50 "	..	20	..	..	..	..	..	0 1 9	
Royal Azure laid . 40 "	..	500	..	400	..	..	..	0 2 1	
Double Royal . 30 "	..	200	300	600	800	..	..	0 1 6	Indian paper.
Do. . 50 "	..	..	..	100	176	50	..	0 1 8	Do.
Ledger paper . 30 "	..	..	..	100	500	300	400	0 3 4	Do.
Do. . 72 "	..	..	..	15	5	..	5	0 6 0	Do.

Demi paper . . . 20 "	..	150	..	..	..	..	..	0 2 7	Do.
Art paper . . . 45 "	..	..	..	..	35	..	5	0 4 3	Foreign paper.
Do. . . . 42 "	..	..	15	15	..	..	..	0 4 3	Do.
<i>Packing and Wrapping papers.</i>	..	3	..	..	5	..	..	0 2 0	Do.
B. C. paper . . . 100 lbs.	300	..	400	300	1,900	500	..	0 2 6	Partly Indian.
Do. . . . 44 "	450	..	200	200	250	200	..	0 3 0	Do.
Do. . . . 20 "	450	..	500	300	350	200	..	0 1 8	Do.
Coloured paper . . . .	..	30	100	170	100	253	..	0 4 0	Do.
<i>Miscellaneous paper.</i>	..	..	..	..	15	..	..	..	..
Sketching cartridge 80 lbs.	..	..	..	..	..	35	..	0 3 0	Foreign make.
Imperial Drawing . 60 "	..	..	2	..	..	..	..	0 3 6	Do.
Cartridge paper . 40 "	..	250	150	500	..	250	..	0 2 2	Do.
Drawing paper . 140 "	..	1	1	..	..	1	..	Rms. lb.	Do.
Cartridge paper . 20 "	200	1,200	200	200	..	..	..	0 1 7	Indian made.
Drawing paper . 70 "	14	..	..	1	..	..	..	Rms. 25 8 0	Do.
Do. Cartridge . 67 "	3	..	..	..	..	..	..	per lb.	..
Badami . . . 15 "	..	3,000	..	..	..	..	..	0 1 3	..
Do. . . . 20 "	..	1,000	..	..	..	..	..	0 1 7	..
Blotting paper . . Rms.	300	..	..	..	..	50	..	0 9 6	..

NOTE.—The price quoted for foreign paper is exclusive of customs duty when imported through the Travancore Ports.

6. Controller of Printing and Stationery, India, New Delhi.

- (1) *Letter No. 1103, dated the 27th December, 1937, from the Tariff Board to the Controller of Printing and Stationery, India, New Delhi.*

I am directed to refer to the Government of India, Department of Commerce, Resolution No. 202-T. (1)/36, dated the 11th December, 1937, a copy of which is attached for reference. The Board would be grateful if you would be so good as to send it a note on the same lines as you did in the last enquiry (see pages 40-72 of Vol. II of the Evidence, Paper Enquiry, 1932), bringing all the information up to date.

2. I am to say that it would be of the greatest help to the Board if your note could be sent to the Secretary to the Board at No. 1, Council House Street, Calcutta, as early as possible, and in any case not later than the 31st January, 1937.

- (2) *Letter No. 44/1/38-A. & F., dated the 31st January, 1938, from the Controller of Printing and Stationery, India, New Delhi.*

With reference to your letter No. 1103, dated the 27th December, 1937, I have the honour to forward herewith a note and six statements containing the information desired.

Note from the Controller of Printing and Stationery, India, to the Tariff Board in connection with the Bamboo Paper Industry (Protection) Act, 1932.

The information and statistics desired by the Tariff Board are furnished herein:—

Statement A.—This statement exhibits the average price per ton of paper purchased from the Indian mills from 1931-32 to 1936-37 and the average price per ton contracted for for the year 1937-38. It will be observed that the average rate per ton has, except for the year 1932-33, been gradually declining during the period under review. The average rate per ton recently quoted for supplies during 1938-39 has however advanced to Rs. 453. This is in accordance with the rise in the price of paper generally, also many other commodities, and is attributed to the rise in price of coal and imported raw materials.

Statement B.—This statement exhibits the quantities of various kinds of paper supplied by the Indian mills and the prices paid to them for those supplies during the years 1931-32 to 1936-37. It also includes the lowest European quotations received.

Statement C.—This statement exhibits the lowest European rates mentioned in Statement B, converted into Indian currency with all charges added for delivery to the Stationery Office for the years 1931-32 to 1937-38.

Statement D.—This statement exhibits the average price per ton and the value of the quantities of paper supplied by the various Indian and European mills for the years 1931-32 to 1936-37, and also the quantity contracted for for 1937-38.

Statement E.—This statement exhibits the test figures of accepted tender samples of Indian papers (and one European paper) for the qualities Cream Laid, Azure Laid, Cream Wove, Cream Wove Bank, White Printings, Semi-bleached (unbleached) Printing and Coloured Printings from 1932-33 to 1937-38. The statement shows in general progressively increasing strength of the samples. The samples included qualities offered for part bamboo and/or grass furnish in increasing proportions specially during the last two years. Duplicating, Typewriting, White and Half-bleached Cartridges and Badami have also been included in the statement as

bamboo and/or grass have been used in appreciable proportions in the furnish. It will be seen from the statement that the initial strength of papers made from grass and/or bamboo has, generally speaking, been of a fairly high standard.

Statement F.—This statement exhibits test figures for strength initially and at intervals of a period of six months or more in respect of samples of different classes of paper manufactured by Indian mills in Bengal. In the case of each variety the specimens tested were taken from the same batch of samples. Only a few representative figures have been given. The samples were taken from the supplies made under the orders of the Central Stationery Office as well as from the quantities manufactured by the mills for the outside market. Explanatory notes have been given in the statement where necessary.

With the exception of Statement F, which is essentially new in that it indicates the durability of various papers, the statements submitted cover the same ground as those prepared in 1931. Statement B exhibits the rates paid for delivery at the Stationery Office or Calcutta area and f.o.r. Mill Sidings for up-country deliveries, and the quantities of different classes of paper purchased for supply to the departments of the Central Government, and to certain local Governments, State Railways and one Company-owned Railway, viz., the Bengal Nagpur Railway.

2. *Art paper, tissue paper, marble paper and grease-proof paper.*—The manufacture of these qualities has not so far been attempted by the Indian mills nor is there any indication that they will in the near future make any efforts in that direction.

Rag paper.—A considerable advance has been made in recent years by the Titaghur Paper Mills by using a large proportion of rags in the furnish of certain better quality papers and this mill may be regarded as a pioneer in this line. The manufacture by the Indian mills of a 75 per cent. rag White Wove paper for permanent records, an all-rag Antique Cream Laid Typewriting paper and an all-rag Azure Laid paper made it possible for the Central Stationery Office to dispense with the more expensive imported papers. The Central Stationery Office contract for the first two items has been held exclusively by the Titaghur Paper Mills for some years past. It will be seen from the previous report that a poor attempt at the production of rag paper was made by one Indian mill in 1929. The position has, however, since changed immensely. Indian rag paper, being found quite satisfactory and suitable in point of strength, finish, reaction to light and certain other important characteristics, has been able to displace advantageously more expensive imported paper of the same class. A statement of the annual tonnage of purchases from the Indian mills is given below:—

(i) 75 per cent. rag—

	Tons.
1934-35	Nil.
1935-36	28
1936-37	21
1937-38	30

(Contract).

(ii) All-rag T. W. Cream Laid—

1934-35	1
1935-36	5
1936-37	10
1937-38	10

(Contract).

Imitation Art Paper.—The position with regard to the manufacture of Imitation Art Paper in this country has also changed considerably since

1931. The paper supplied during recent years is no longer of the nature of a highly super-calendered paper as was the case prior to the year 1931, but is real imitation art paper. This paper has up to date been supplied only by the Titaghur Paper Mills. Other Indian Mills are, however, manufacturing this quality of paper.

Blotting Paper.—The position continues as before, practically the whole of the Central Stationery Office contract of blotting paper having been placed with the Indian mills since the tender season of 1925-26. Only a small proportion of superior blotting paper is purchased from abroad to meet very special demands. The imported paper purchased is of a very much higher grade and more expensive quality, most of it being of an all-rag furnish. The improvement that has taken place in the quality of blotting paper manufactured in India has been gradual but very satisfactory. With a modest beginning in 1925-26 by one mill, viz., the India Paper Pulp Co., who used an all-bamboo furnish, the manufacture of this paper was taken up by other Indian mills which began to produce blotting paper of a part-rag furnish. The result was the production of a 75 per cent. rag furnish of an excellent quality by one of the mills, viz., the Bengal Paper Mill, whose position with regard to this paper is unrivalled. This mill has been supplying the whole of the Indian tonnage for blotting paper since 1927-28 and is holding the present annual contract which amounts approximately to 95 tons.

It may be mentioned that during recent years there has been little or no complaint from the numerous consumers in regard to the quality of Indian blotting paper. During the last two years the Indian quality has slightly dropped from its high standard owing to the use of a smaller proportion of rag in the furnish.

Coloured Printings.—Since the tender season of 1926-27, the whole of the Central Stationery Office contract for coloured printings has been placed with the Indian mills. These papers had been a speciality of only one mill (Titaghur Paper Mills) for a fairly long time before another mill (Bengal Paper Mill) also started to manufacture them with the result that the contracts for the years 1933-34 to 1935-36 were divided between the two mills. The colours have improved substantially and, considering the prices paid for them, are sufficiently fast to light. Fading with the action of light is no more pronounced in Indian made paper than in imported paper of about the same price.

Recently quite a good proportion of bamboo and grass has been used by the Indian mills in the furnish of this class of paper and no deleterious effect has been noticed so far as a result thereof. The papers are of satisfactory appearance and finish.

Manilla Paper.—Very marked progress has been made in the manufacture of this class of paper in India. At present it is practically the monopoly for Government requirements of one mill (Titaghur Paper Mill) as only a small quantity of Buff variety in darker shade is catered for by another mill (Bengal Paper Mill). Prior to the year 1932-33 the tonnage had been divided between Indian and Imported Manillas, the latter being obtained in small quantities mainly for the preparation of tag-labels and for special wrapping purposes. It has been possible since to dispense entirely with the Imported qualities. The Indian paper is sufficiently strong and its chief characteristic is its far superior opacity, which is a very important property in view of the fact that a considerable proportion of this paper is required for envelope making. The present annual requirements of this class of paper (coloured and buff) is 410 tons.

3. The only change in the procedure adopted for the purchase of paper is that since the year 1936-37 a simultaneous call for tenders is issued in India and England on the rupee tender system. A notable change made since the year 1932-33 in the specifications has been the laying down of minima for certain strength figures, viz., breaking length and folding endurance, for different classes of papers. The minima were, as a result

of careful investigation, raised in some cases in the year 1936-37 as circumstances justified this course.

4. It was stated in 1931 that it was not the experience of the Central Stationery Office that the imposition of protective duties had tended to accentuate certain defects and that quality had been sacrificed to outturn. The extension of protection for another period of seven years has not altered that position. On the other hand, marked and very satisfactory improvement in the quality of Indian papers has been noticed during the period under review.

I now deal with the principal defects mentioned to the Tariff Board in 1924. It should be noted that, as a whole, the indigenous fibres, grass and bamboo, were being increasingly used by the mills.

- (1) Defects in the finish of grass (and/or bamboo) paper, specks and blemishes due to the presence of foreign matter;
- (2) Weakness of white printing paper, made from grass (and/or bamboo) pulp due to over-bleaching;
- (3) Extreme hardness of grass (and/or bamboo) paper;
- (4) Variation in the thickness of sheets;
- (5) Variation in the shade of paper of a single make;
- (6) Sheets were torn; they were not cut to the right size; they were not cut square.

Re: Sub-paragraph (1).—Very marked improvements have been noticed in respect of these defects and the degree of improvement achieved is generally commensurate with the modernization of the plant and methods used by the mills. Though there have been a few instances where a mill had to be pulled up for specks and blemishes in the paper supplied by them, grass and bamboo, as such, should no longer be regarded as being to any large extent responsible for such defects which can be minimised by improving the conditions of manufacture. The improvement is not so marked in the Lucknow Mills' qualities. The Deccan Mills' supplies show little or no improvement in these respects.

Re: Sub-paragraph (2).—As stated in 1931, it is not possible to give a definite statement in this matter without a special investigation and the intervening period did not provide any suitable opportunity for undertaking such investigation. The question of durability of such papers has, however, been touched upon in paragraph 5 below, but it may be mentioned here that the initial strength of white printings of the majority of the mills satisfied the specification of the Central Stationery Office.

Re: Sub-paragraph (3).—The absence of any representation or complaint as to hardness of grass (and bamboo) paper, during the interim period (from 1932-1937), confirms my remarks of 1931.

Re: Sub-paragraph (4).—Variation in the thickness of sheets (of printing paper) was noticed in one or two isolated cases but judging from the bulk of supply such defects appear to be negligible with the exception of supplies from the Deccan Mills.

Re: Sub-paragraph (5).—Variation in shade in a single make is rarely met with now.

Re: Sub-paragraph (6).—There has been considerable improvement since the report of 1931 in regard to these defects and complaints are on the wane, but there is still room for improvement, especially with the mills outside the Bengal area.

5. In 1935 it was decided to carry on a preliminary investigation to study the durability of paper containing bamboo and grass fibres. Accordingly, a conference was held by me in the Central Stationery Office on

the 25th March 1935 with representatives of the Titaghur Paper Mills, the Bengal Paper Mill and the India Paper Pulp Co. As a result of the conference, those three mills agreed to send to the Central Stationery Office a monthly statement showing the percentages of bamboo and/or grass in respect of supplies of 1,000 reams and over and also to furnish samples from typical makes of grass and/or bamboo and chemical wood pulp papers, pure and mixed, for examination of their properties with a view to studying their durability. The Upper India Couper Paper Mills of Lucknow also agreed to this arrangement but they have not yet made any arrangements for using bamboo. The Deccan Paper Mills having no arrangement for making or using grass or bamboo pulp, were left out. Of the mills that had become a party to the above-mentioned arrangement, the Titaghur Paper Mills sent by far the largest number of samples from their Mills No. 1 (Titaghur) and No. 2 (Kankinara).

The procedure involved in the investigation carried out was to test the samples initially, i.e., not long after their receipt from the mills, and to retest them at intervals of 6 months or more. The samples were left in a closed room at 65 Relative Humidity at the room temperature for 6 hours before test. There being no air-conditioning plant or other arrangement in the Central Stationery Office for regulating temperature, the temperature of the room where the tests were carried out could not be maintained constant.

As stated above, it was a preliminary investigation carried out amidst a mass of routine work with the help of the existing staff and under far from ideal conditions (e.g., with no temperature control) and as such the results yielded are not claimed to be very accurate. But none the less the results sufficiently indicate (Statement F) that papers made from bamboo and grass, whether these materials are used singly or in admixture with each other or with chemical wood pulp, not only possess satisfactory initial strength but also retain sufficient durability for ordinary classes of paper. Such investigations, carried out under standard and uniform conditions, would lead to useful and interesting results from the point of view of both the consumers and the manufacturers. It will be noticed from Statement F that the bamboo paper of one mill has, in many instances, failed to exhibit even sufficient initial strength. This mill usually uses bamboo with chemical wood pulp. Bamboo itself, however, should not be held responsible for this lack of strength in view of the success achieved by other mills with this material. The cause of weakness of certain types of paper containing bamboo must lie elsewhere and the matter requires investigation. So, intrinsically, bamboo (and also grass) appears to possess sufficient strength. The experience of the Central Stationery Office in regard to the protected classes of paper also shows bamboo to be a fibre of great use and value; for in the various classes of work for which these papers are used, no complaint regarding a paper made from bamboo has been substantiated as being due to bamboo in the furnish. On the other hand, the examination of certain samples showed that bamboo (as also grass) possesses superior opacity to chemical wood pulp. This property of the indigenous fibres, bamboo and grass, should prove valuable to the users. About 7 to 10 thousand tons of Indian-made printing and writing paper are issued annually in thousands of batches to numerous consumers who use them with evident satisfaction.

6. Generally speaking, therefore, so far as the exploitation and development of bamboo, and also of grass, is concerned, the working of the protective duties seems to have been more effectual during the second period than during the first. During the first period the India Paper Pulp Co. were practically the only mills using bamboo for an appreciable period—by the sulphite process which they are still employing. In the second period, the Titaghur Paper Mills and the Bengal Paper Mill also adopted the use of bamboo in addition to grass which was being used long before protection was granted. The Lucknow Mills have continued to use grass and have

not yet adopted the use of bamboo while the Deccan Paper Mills do not make or use either bamboo or grass pulp.

Lately, new methods of mechanical treatment of bamboo before digestion have been adopted by the manufacturers and those methods appear to be a great improvement on the methods previously in vogue.

7. Of the Indian Mills, the contribution of the Titaghur Paper Mills group has been very noteworthy. They work bamboo by the alkali process. Their No. 2 Mill (Kankinara) began to manufacture paper with bamboo in appreciable quantities with sulphite wood pulp at the beginning of the second period of protection. With the passing of time, the proportion of bamboo increased, till at the present time it is used predominantly in most of their papers. No. 1 Mill (Titaghur) adopted the use of bamboo later, chiefly with grass. At present the furnish of most of the papers of this Mill is bamboo and grass, the former predominating. Large scale additions, replacements or remodelling of plants have been noticed in the Mills and the consequential improvement in quality and output should be expected.* A new and up-to-date paper-making machine has been installed in No. 1 Mill and paper is expected to be made on it very shortly. The Mills possess certain appliances for testing paper and the Mill authorities have expressed their intention of establishing a testing laboratory with the most modern equipment and also an air-conditioning room for maintaining constant humidity and temperature.

The Bengal Paper Mill began using bamboo on a large scale in 1934 and have since installed and remodelled certain plant. One half of the furnish of their paper is grass and the rest bamboo and wood pulp in about equal proportions.† This Mill during the second period of protection has taken up the development of bamboo pulp very seriously and has not spared time or money in their efforts to obtain good results.

The India Paper Pulp Co. use sulphite bamboo pulp and chemical wood pulp in about equal proportions. They too have carried out considerable extension in their equipment since 1933-34. A new bamboo crusher is under installation and many improvements and additions are contemplated. Arrangements also exist in the Mill for the thorough testing of paper and pulp.

The Lucknow Paper Mills use grass as well as locally collected hemp and rags with chemical wood pulp. Before 1935 they had installed a new Power House and made certain improvements on the paper-making side. A screening and bleaching plant and a recovery plant, the erection of which is almost complete and now remain to be brought into use, are awaiting functioning. Arrangements also exist in this Mill for testing paper.

8. Judging from the progress made and the important schemes of renovations and improvements carried out by all the four mills in Bengal, the development of bamboo pulp as the main fibre for the manufacture of papers can reasonably be assumed to be assured. Whether, and if so to what extent, the protection granted has, during the last 6 years, helped to open up the possibility of a market for Indian-made pulp abroad, is a matter on which I am not competent to express an opinion.

* While submitting tenders for the year 1938-39, the Titaghur Paper Mills' authorities report that they are producing about 22,000 tons of the indigenous pulp per annum against their total paper production at both Mills of about 25,000 tons per annum.

† The new Crusher at the Ranyung Mills puts through approximately 1,000 tons a month which is the quantity of bamboo at present used by the mills.

A.

Statement showing the average price per ton of the total value of paper ordered from the various Indian Paper Mills from the year 1931-32 to 1936-37.

Years.	Average price per ton. Rs.	Remarks.
1931-32	461	
1932-33	480	The increase is due mainly to the increase in the contract rates as also to the purchase of larger quantities of higher priced paper.
1933-34	456	
1934-35	432	
1935-36	429	
1936-37	419	
1937-38	418	The figure for 1937-38 shows the average price per ton of the total value of the paper contracted for.

B.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1931-32.

Class of paper.	Mills.	Tons.	1931-32.		Lowest F. O. B. rate per lb. Euro- pean.
			Rate per lb.		
			Rs. a. p.		d.
Cream Laid . . .	I. P. P.	62	0 3 9	F. O. R. Mill Siding and free delivery Calcutta area.	2 ³ / ₈
Azure Laid . . .	T. P. M.	247	0 3 11 ¹ / ₂	Ditto .	2 ¹ / ₄
Cream Wove . . .	B. P. M.	224	0 3 9	Ditto .	2 ⁷ / ₁₆
Cream Wove Bank	T. P. M.	52	0 4 2	Ditto .	2 ¹¹ / ₁₆
White Cartridge	B. P. M.	158	0 3 5 ¹ / ₂	Ditto .	2 ⁵ / ₁₆
Half Bleached Cartridge.	T. P. M.	32	0 3 6	Ditto .	2 ¹ / ₁₆
White Printing .	T. P. M.	872	0 3 5	Ditto .	2 ¹ / ₈
	B. P. M.	1,066	0 3 5	Ditto .	
	I. P. P.	406	0 3 5	Ditto .	
	U. I. C.	448	0 3 5	F. O. R. Badsha-nagar.	

N.B.—This excludes the tonnage purchased of plain watermarked (Stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the price paid to the Indian Mills during the year 1931-32—contd.

Class of paper.	Mills.	Tons.	1931-32.		Lowest F. O. B. rate per lb. Euro- pean.
			Rate per lb.		
			Rs. a. p.		d.
White Printing .	Deccan	151	0 3 5	F. O. R. Bombay .	2½
			0 3 7	F. O. R. any sta- tion in U. P. or Delhi.	
White Printing S/C. S/S.	T. P. M.	1	0 3 8	F. O. R. Mill Siding and free delivery Calcutta area.	
Coloured Printing .	T. P. M.	270	0 3 6	Ditto .	1½
Semi-bleached Prin- ting.	T. P. M.	503	0 3 4	Ditto .	2½
	B. P. M.	622	0 3 4	Ditto .	
	I. P. P.	339	0 3 4	Ditto .	
	U. I. C.	448	0 3 4	F. O. R. Badsha- nagar.	
Badami . . .	T. P. M.	644	0 2 11	F. O. R. Mill Siding and free delivery Calcutta area.	1¼
	B. P. M.	799	0 2 11	Ditto .	
	U. I. C.	207	0 2 11	F. O. R. Badsha- nagar.	
	Deccan	145	0 2 9	F. O. R. Bombay .	
			0 2 11	F. O. R. any sta- tion in U. P. or Delhi.	
White Blotting .	B. P. M.	97	0 4 3	F. O. R. Mill Siding and free delivery Calcutta area.	3½
Brown Wrapping .	T. P. M.	216	0 2 3	Ditto .	1½
	B. P. M.	194	0 2 3	Ditto .	
Brown Cartridge F/G.	T. P. M.	6	0 3 1	Ditto .	2½
Manilla . . .	T. P. M.	305	0 3 1½	Ditto .	1¾

N.B.—This excludes the tonnage purchased of plain watermarked (Stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1931-32—concl'd.

Class of paper.	Mills.	Tons.	1931-32.	—	Lowest F. O. B. rate per lb. European.
			Rate per lb.		
Manilla Waterproof	T. P. M.	20	Rs. a. p. 0 3 6	F. O. R. Mill Siding and free delivery Calcutta area.	d. 2½
Pulp Board White .	B. P. M.	31	0 3 5	Ditto .	1½
Pulp Board White S/C.	B. P. M.	31	0 3 6½	Ditto .	1½
Pump Board Coloured.	T. P. M.	12	0 3 11	Ditto .	1½
Pulp Board White Waterproof.	T. P. M.	3	0 4 4	Ditto .	1½
Pulp Board Coloured Waterproof.	T. P. M.	4	0 4 2	Ditto .	2
Duplicating . .	I. P. P.	136	0 4 0	Ditto .	2 7/16
Typewriting . .	T. P. M.	68	0 4 3	Ditto .	2½
White Antique Wove.	I. P. P.	17	0 3 6½	Ditto .	2 9/16

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1932-33.

Class of paper.	Mills.	Tons.	1932-33.	—	Lowest F. O. B. rate per lb. European.
			Rate per lb.		
Cream Laid . .	T. P. M.	44	Rs. a. p. 0 3 10½	F. O. R. Mill Siding and free delivery Calcutta area.	d. 2½
Azure Laid . .	I. P. P.	185	0 4 1	Ditto .	4 7/16
Cream Wove . .	T. P. M.	129	0 3 10½	Ditto .	2½
Cream Wove Bank .	T. P. M.	25	0 4 3½	Ditto .	4 3/16

N. B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1932-33—contd.

Class of paper.	Mills.	Tons.	1932-33.	—	Lowest F. O. B. rate per lb. European.
			Rate per lb.		
			Rs. a. p.		d.
White Cartridge .	T. P. M.	31	0 3 7½	F. O. R. Mill Siding and free delivery Calcutta area.	2½
	B. P. M.	71	0 3 7½		
Half-bleached Cartridge.	T. P. M.	25	0 3 7½	Ditto .	2½
	B. P. M.	26	0 3 7½		
White Printing .	T. P. M.	805	0 3 6½	Ditto .	2½
	B. P. M.	965	0 3 6½		
	I. P. P.	337	0 3 6½		
	U. I. C.	310	0 3 6½		
	Deccan.	114	0 3 6½	F. O. R. Badshah-nagar.	
				F. O. R. Bombay .	
White Printing S/C, S/S.	T. P. M.	4	0 3 8	F. O. R. Mill Siding and free delivery Calcutta area.	2½
Coloured Printing .	T. P. M.	226	0 3 7½	Ditto .	2½
Semi-bleached Printing.	T. P. M.	487	0 3 5½	Ditto .	
	B. P. M.	514	0 3 5½		
	I. P. P.	427	0 3 5½		
	U. I. C.	295	0 3 5½	F. O. R. Badshah-nagar.	
	Deccan.	10	0 3 5½	F. O. R. Bombay .	
Badami .	T. P. M.	391	0 3 0½	F. O. R. Mill Siding and free delivery Calcutta area.	
	B. P. M.	552	0 3 0½		
	U. I. C.	33	0 3 0½	F. O. R. Badshah-nagar.	
	Deccan.	36	0 2 10½	F. O. R. Bombay .	
White Blotting .	B. P. M.	101	0 4 5	F. O. R. Mill Siding and free delivery Calcutta area.	2½
Brown Wrapping .	T. P. M.	119	0 2 3	Ditto .	1½
	B. P. M.	233	0 2 3		

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1932-33—concl'd.

Class of paper.	Mills.	Tons.	1932-33.	—	Lowest F. O. B. rate per lb. Euro- pean.
			Rate per lb.		
			Rs. a. p.		d.
Brown Cartridge F/G.	T. P. M.	9	0 3 5	F. O. R. Mill Siding and free delivery Calcutta area.	2½
Manilla . .	T. P. M.	206	0 3 2	Ditto .	2½
Manilla Waterproof	T. P. M.	22	0 3 7	Ditto .	2½
Pulp Board White .	B. P. M.	24	0 3 6½	Ditto .	3½
Pulp Board White S/C.	B. P. M.	26	0 3 8	Ditto .	3½
Duplicating . .	I. P. P.	125	0 4 0	Ditto .	2½
Typewriting . .	T. P. M.	64	0 4 4½	Ditto .	3½
White Antique Wove.	I. P. P.	24	0 3 8	Ditto .	2½

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1933-34.

Class of paper.	Mills.	Tons.	1933-34.	—	Lowest F. O. B. and C. I. F. rate per lb. Euro- pean.
			Rate per lb.		
			Rs. a. p.		d.
Cream Laid . .	T. P. M.	58	0 3 9	F. O. R. Mill Siding and free delivery Calcutta area.	2½
Azure Laid . .	T. P. M.	179	0 4 0	Ditto .	2½
Cream Wove . .	T. P. M.	99	0 3 9	Ditto .	2½
Cream Wove Bank	T. P. M.	26	0 4 1½	Ditto .	2½

N.B.—This excludes the tonnage purchased of plain water-mixed (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1933-34—contd.

Class of paper.	Mills.	Tons.	1933-34.	—	Lowest F. O. B. and C. I. F. rate per lb. Euro- pean.
			Rate per lb.		
White Cartridge	T. P. M.	43	Rs. a. p. 0 3 5½	F. O. R. Mill Siding and free delivery Calcutta area.	d.
	B. P. M.	54	0 3 5½		2½
Half-bleached Cart- ridge.	B. P. M.	32	0 3 5½	Ditto	2½
	T. P. M.	815	0 3 4½	Ditto	2½
White Printing	B. P. M.	724	0 3 4½		
	I. P. P.	250	0 3 4½	F. O. R. Badsha- nagar. F. O. R. Bombay .	2½
	U. I. C.	342	0 3 4½		
	Deccan	126	0 3 4½		
White Printing S.C., S/S.	T. P. M.	2	0 3 6	F. O. R. Mill Siding and free delivery Calcutta area.	2½
Coloured Printing	T. P. M.	122	0 3 6	Ditto	2½
	B. P. M.	133	0 3 6		
Semi-bleached Printing.	T. P. M.	626	0 3 3½	Ditto	2½
	B. P. M.	449	0 3 3½		
	I. P. P.	200	0 3 3½	F. O. R. Badsha- nagar. F. O. R. Bombay .	2½
	U. I. C.	203	0 3 3½		
	Deccan	17	0 3 3½		
Badami	T. P. M.	378	0 2 10½	F. O. R. Mill Siding and free delivery Calcutta area.	1½
	B. P. M.	459	0 2 10½		
	U. I. C.	268	0 2 10½	F. O. R. Badsha- nagar. F. O. R. Bombay .	
	Deccan	36	0 2 8½		
White Blotting	B. P. M.	82	0 4 3	F. O. R. Mill Siding and free delivery Calcutta area.	2½
Brown Wrapping	T. P. M.	125	0 2 3	Ditto	1½
	B. P. M.	177	0 2 3		
	Deccan	12	0 2 3	F. O. R. Bombay .	

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1933-34—conold.

Class of paper.	Mills.	Tons.	1933-34.		Lowest F. O. B. and C. I. F. rate per lb. European.
			Rate per lb.		
			Rs. a. p.		d.
Brown Cartridge F. G.	..	..	..	..	2
Manilla	T. P. M.	65	0 2 10½	F. O. R. Mill Siding and free delivery, Calcutta area.	1½
	B. P. M.	97	0 2 10½		
Manilla Coloured	T. P. M.	11	0 3 0	Ditto	1½
Manilla Waterproof	T. P. M.	18	0 3 5	Ditto	2½
Pulp Board White	B. P. M.	39	0 3 3	Ditto	1½
Pulp Board White S/C.	B. P. M.	26	0 3 4½	Ditto	1½
Pulp Coloured Board	B. P. M.	16	0 3 6	Ditto	1½
Duplicating	B. P. M.	116	0 3 9	Ditto	2½
Typewriting	T. P. M.	61	0 4 2	Ditto	2½

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the price paid to the Indian Mills during the year 1934-35.

Class of paper.	Mills.	Tons.	1934-35.		Lowest F. O. B. and C. I. F. rate per lb. European.
			Rate per lb.		
			Rs. a. p.		d.
Cream laid	T. P. M.	28	0 3 7½	F. O. R. Mill Siding and free delivery Calcutta area.	2
	B. P. M.	31	0 3 7½		
Azure laid	I. P. P.	229	0 3 11½	Ditto	2
Cream Wove	T. P. M.	163	0 3 7½	Ditto	1½
	B. P. M.	71	0 3 7½		

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1934-35—contd.

Class of paper.	Mills.	Tons.	1934-35.		Lowest F. O. B. and C. I. F. rate per lb. Euro- pean.
			Rate per lb.		
			Rs. a. p.		d.
Cream Wove Bank .	T. P. M.	39	0 3 11	F. O. R. Mill siding and free delivery, Calcutta area.	2½
	B. P. M.	31	0 3 11		
White Cartridge .	T. P. M.	61	0 3 3	Ditto.	
	B. P. M.	61	0 3 3		
Half bleached Car- tridge.	B. P. M.	28	0 3 3		
	T. P. M.	1,172	0 3 2		
White Printing .	B. P. M.	861	0 3 2		
	I. P. P.	343	0 3 2		
	U. I. C.	255	0 3 2		
	Deccan	125	0 3 2		
White Printing S/C., S/S.	B. P. M.	2	0 3 4	F. O. R., Mill siding and free delivery, Calcutta area.	
Coloured Printing .	T. P. M.	97	0 3 3½		
	B. P. M.	109	0 3 3½		
Semi-bleached Prin- ting.	T. P. M.	601	0 3 1½		
	B. P. M.	552	0 3 1½		
	I. P. P.	277	0 3 1½		
	U. I. C.	254	0 3 1½		
	Deccan	11	0 3 1½		
Sadami	T. P. M.	564	0 2 9	F. O. R., Mill siding and free delivery, Calcutta area.	
	B. P. M.	568	0 2 9		
	U. I. C.	252	0 2 9	F. O. R., Badsha- nagar.	
	Deccan	69	0 2 9	F. O. R., Bombay.	

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1934-35—concl'd.

Class of paper.	Mills.	Tons.	1934-35.	—	Lowest F. O. B. and C. I. F. rate per lb. Euro- pean.
			Rate per lb.		
			Rs. a. p.		d.
White Blotting .	B. P. M.	99	0 4 1½	F. O. R., Mill siding and free delivery Calcutta area.	3½
Brown Wrapping .	T. P. M.	156	0 2 1	Ditto	1½
	B. P. M.	208	0 2 1		
	Deccan	24	0 2 1	F. O. R., Bombay.	
Brown Cartridge Friction glazed.		..	..	..	2½
Manilla . .	T. P. M.	194	0 2 8	F. O. R., Mill siding and free delivery Calcutta area.	1½
	B. P. M.	148	0 2 8		
Manilla coloured .	T. P. M.	2	0 3 0	Ditto	1½
Manilla Waterproof	T. P. M.	14	0 3 2½	Ditto	1½
Pulp Board White .	B. P. M.	42	0 3 0	Ditto	2½
Pulp Board White, S/C.	B. P. M.	23	0 3 1½	Ditto.	
Pulp Board Colour- ed.	B. P. M.	19	0 3 4		
Duplicating . .	B. P. M.	88	0 3 6	Ditto	1½
	I. P. P.	67	0 3 6		
Typewriting . .	T. P. M.	76	0 4 0	Ditto	2½
Typewriting Cream laid, Antique.	T. P. M.	1	0 6 0	Ditto.	

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1935-36.

Class of paper.	Mills.	Tons.	1935-36.		Lowest F. O. B. rate per lb. European.
			Rate per lb.		
			Rs. a. p.		d.
Cream Laid .	T. P. M.	25	0 3 7½	F. O. R. Mill siding and free delivery, Calcutta area.	2½
	B. P. M.	22	0 3 7½		
Azure Laid .	I. P. P.	267	0 3 11	Ditto .	2½
Cream Wove .	T. P. M.	86	0 3 7½	Ditto .	2½
	B. P. M.	84	0 3 7½		
Cream Wove Bank .	T. P. M.	64	0 3 11	Ditto .	2½
White Cartridge .	T. P. M.	111	0 3 3	Ditto .	2½
	B. P. M.	48	0 3 3		
Half-bleached Cartridge.	T. P. M.	24	0 3 3	Ditto .	2½
White Printing .	T. P. M.	1,462	0 3 2	Ditto .	1½
	B. P. M.	998	0 3 2		
	I. P. P.	256	0 3 2		
	U. I. C.	212	0 3 2		
White Printing S/C, S/S.	Deccan	97	0 3 2	F. O. R. Mill siding and free delivery, Bombay.	1½
	B. P. M.	3	0 3 4	F. O. R. Mill siding and free delivery, Calcutta area.	
Coloured Printing .	T. P. M.	147	0 3 3½	Ditto .	1½
	B. P. M.	147	0 3 3½		
Semi-bleached Printing.	T. P. M.	993	0 3 1½	Ditto .	1½
	B. P. M.	582	0 3 1½		
	I. P. P.	269	0 3 1½		
	U. I. C.	231	0 3 1½		
	Deccan.	31	0 3 1½	F. O. R. Mill siding and free delivery, Bombay.	

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1935-36—contd.

Class of paper.	Mills.	Tons.	1935-36.	—	Lowest F. O. B. rate per lb. Euro- pean.
			Rate per lb.		
			Rs. a. p.		d.
Badami . . .	T. P. M.	568	0 2 7½	F. O. R. Mill siding and free delivery Calcutta area.	1½
	B. P. M.	656	0 2 7½		
	U. I. C.	235	0 2 7½		
	Deccan	97	0 2 7½	F. O. R. Mill siding and free delivery Bombay.	
White Blotting .	B. P. M.	94	0 4 1½	F. O. R. Mill siding and free delivery Calcutta area.	3
Brown Wrapping .	T. P. M.	174	0 2 1	Ditto.	
	B. P. M.	237	0 2 1		
	Deccan.	15	0 2 1	F. O. R. Mill siding and free delivery Bombay.	
Brown Cartridge F. G.	T. P. M.	2	0 2 9	F. O. R. Mill siding and free delivery Calcutta area.	1½
Manilla . . .	T. P. M.	139	0 2 8	Ditto .	1½
	B. P. M.	155	0 2 8		
Manilla Coloured .	T. P. M.	28	0 3 0	Ditto .	1½
Manilla Waterproof	T. P. M.	16	0 3 2½	Ditto .	
Pulp Board, White	T. P. M.	31	0 3 0	Ditto .	2½
Pulp Board, White, S/C.	T. P. M.	43	0 3 1½	Ditto .	2½
Pulp Board, Colour- ed.	T. P. M.	11	0 3 4	Ditto .	2½
Duplicating . .	B. P. M.	117	0 3 6	Ditto .	1½
	I. P. P.	38	0 3 6		
Typewriting . .	T. P. M.	60	0 4 0	Ditto .	2½
Typewriting Cream Laid, Antique.	T. P. M.	5	0 7 0	Ditto .	10½

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1936-37.

Class of paper.	Mills.	Tons.	1936-37.		Lowest F. O. B. rate per lb. European.
			Rate per lb.		
Cream Laid . . .	T. P. M.	42	Rs. a. p. 0 3 7½	F. O. R. Mill Siding and free delivery Calcutta area.	d. 1½
	I. P. P.	26	0 3 7½		
Azure Laid . . .	I. P. P.	297	0 3 9½	Ditto .	2½
Cream Wove . . .	T. P. M.	128	0 3 7½	Ditto .	2½
	B. P. M.	110	0 3 7½		
Cream Wove Bank	T. P. M.	63	0 3 11	Ditto .	2½
White Cartridge .	T. P. M.	149	0 3 3	Ditto .	1½
Half bleached Cartridge.	T. P. M.	32	0 3 3	Ditto .	2½
White Printing .	T. P. M.	1,646	0 3 1	Ditto.	
	B. P. M.	1,236	0 3 1		
	I. P. P.	448	0 3 1		
	U. I. C.	273	0 3 1		
	Deccan	121	0 3 1	F. O. R. Mill Siding and free delivery Bombay.	
White Printing S/C, S/S.	T. P. M.	5	0 3 4	F. O. R. Mill Siding and free delivery Calcutta area.	
Coloured Printing .	T. P. M.	450	0 3 3½	Ditto.	
Semi-bleached Printing.	T. P. M.	893	0 3 0½		
	B. P. M.	603	0 3 0½		
	I. P. P.	371	0 3 0½		
	U. I. C.	286	0 3 0½		
	Deccan	32	0 3 0½	F. O. R. Mill Siding and free delivery Bombay.	
Badami . . .	T. P. M.	667	0 2 6	F. O. R. Mill Siding and free delivery Calcutta area.	
	B. P. M.	878	0 2 6		
	U. I. C.	240	0 2 6		

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

B—conold.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1936-37—contd.

Class of paper.	Mills.	Tons.	1936-37.		Lowest F. O. B. rate per lb. European.
			Rate per lb.		
			Rs. a. p.		d.
Badami—contd.	Deccan	113	0 2 6	F. O. R. Mill Siding and free delivery Bombay.	
White Blotting .	B. P. M.	87	0 4 1½	F. O. R. Mill Siding and free delivery Calcutta area.	2½
Brown Wrapping .	T. P. M.	199	0 2 1	Ditto .	1½
	B. P. M.	259	0 2 1		
	Deccan	23	0 2 1	F. O. R. Mill Siding and free delivery Bombay.	
Manilla .	T. P. M.	163	0 2 8	F. O. R. Mill Siding and free delivery Calcutta area.	
	B. P. M.	128	0 2 8		
Manilla Coloured .	T. P. M.	36	0 3 0	Ditto.	
Manilla Waterproof	T. P. M.	19	0 3 2½	Ditto.	
Pulp Board White	T. P. M.	10	0 3 0	Ditto .	2½
Pulp Board White S/C.	T. P. M.	54	0 3 1½	Ditto .	2½
Pulp Board Coloured.	T. P. M.	3	0 3 4	Ditto .	2½
Duplicating .	B. P. M.	139	0 3 6	Ditto .	1½
	I. P. P.	53	0 3 6		
Typewriting .	T. P. M.	88	0 4 0	Ditto.	
Typewriting Cream Laid Antique.	T. P. M.	10	0 7 0	Ditto .	7½

N.B.—This excludes the tonnage purchased of plain watermarked (stamp) paper.

C.

Statement showing the lowest European rates for each class of paper for which simultaneous tenders were called for and the Indian equivalent including all charges.

Class of Paper.	1931-32.		1932-33.		1933-34.	
	Lowest European rates, f.o.b.	Equivalent India rates with all charges.	Lowest European rates, f.o.b.	Equivalent India rates with all charges.	Lowest European rates.	Equivalent India rates with all charges.
	d.	As. P.	d.	As. P.	d.	As. P.
Cream Laid	2 $\frac{7}{16}$	3 4 $\frac{1}{2}$	2 $\frac{5}{8}$	3 9 $\frac{1}{2}$	2 $\frac{1}{2}$ c.i.f.	3 3 $\frac{1}{2}$
Azure Laid	2 $\frac{1}{4}$	3 5 $\frac{1}{2}$	4 $\frac{1}{4}$	5 5 $\frac{1}{4}$	2 $\frac{1}{2}$ "	3 3 $\frac{1}{2}$
Cream Wove	2 $\frac{7}{16}$	3 4 $\frac{1}{2}$	2 $\frac{5}{8}$	3 9 $\frac{1}{2}$	2 $\frac{1}{2}$ "	3 3 $\frac{1}{2}$
Cream Wove Bank	2 $\frac{1}{4}$	3 6 $\frac{1}{2}$	4 $\frac{1}{4}$	6 2 $\frac{1}{4}$	2 $\frac{1}{2}$ "	3 6 $\frac{1}{2}$
White Cartridge	2 $\frac{5}{16}$	3 3 $\frac{1}{2}$	2 $\frac{1}{2}$	3 9 $\frac{1}{2}$	2 $\frac{1}{8}$ "	3 1 $\frac{1}{2}$
Half bleached Cartridge	2 $\frac{1}{8}$	3 3 $\frac{1}{2}$	2 $\frac{1}{4}$	3 6 $\frac{1}{2}$	2 $\frac{1}{8}$ "	3 1 $\frac{1}{2}$
White Printing	2 $\frac{1}{4}$	3 1 $\frac{1}{8}$	2 $\frac{1}{4}$	3 5 $\frac{1}{2}$	2 $\frac{9}{16}$ "	3 1 $\frac{1}{2}$
White Printing S. C., S./S.	2 $\frac{1}{4}$	3 1 $\frac{1}{8}$	2 $\frac{1}{4}$	3 5 $\frac{1}{2}$	2 $\frac{9}{16}$ "	3 1 $\frac{1}{2}$
Coloured Printing	1 $\frac{1}{4}$	2 10 $\frac{1}{16}$	2 $\frac{1}{4}$	3 8 $\frac{1}{2}$	2 $\frac{1}{4}$ "	3 2 $\frac{1}{2}$
Semi-bleached Printing	2 $\frac{1}{4}$	3 4 $\frac{1}{2}$	..	..	2 $\frac{1}{4}$ "	3 2 $\frac{1}{2}$
Badami	1 $\frac{1}{8}$	2 4	..	..	1 $\frac{1}{8}$ f.o.b.	2 11 $\frac{1}{2}$
White Blotting	3 $\frac{1}{4}$	3 8	3 $\frac{1}{4}$	3 8 $\frac{1}{2}$	2 $\frac{1}{8}$ f.o.b.	3 6
Brown Wrapping	1 $\frac{1}{8}$	1 10 $\frac{1}{2}$	1 $\frac{1}{8}$	2 0 $\frac{1}{16}$	1 $\frac{1}{8}$ c.i.f.	2 1 $\frac{1}{2}$
Brown Cartridge F. G.	2 $\frac{1}{8}$	2 9	2 $\frac{1}{4}$	2 8 $\frac{1}{2}$	2 f.o.b.	2 5 $\frac{1}{2}$

C—contd.

Statement showing the lowest European rates for each class of paper for which simultaneous tenders were called for and the Indian equivalent including all charges—contd.

Class of Paper.	1931-32.		1932-33.		1933-34.	
	Lowest European rates, f.o.b.	Equivalent Indian rates with all charges.	Lowest European rates, f.o.b.	Equivalent Indian rates with all charges.	Lowest European rates.	Equivalent Indian rates with all charges.
Manilla	d.	As. P.	d.	As. P.	d.	As. P.
Manilla Coloured	1 $\frac{3}{4}$ 1 $\frac{1}{2}$	2 3 $\frac{1}{2}$ 2 5	2 $\frac{3}{4}$ 2 $\frac{1}{2}$	2 11 $\frac{1}{2}$ 3 0 $\frac{1}{2}$	1 $\frac{1}{2}$ c.i.f. 1 $\frac{1}{2}$ "	2 3 $\frac{1}{2}$ 2 3 $\frac{1}{2}$
Manilla Waterproof	2 $\frac{1}{2}$ 1 $\frac{1}{2}$	2 11 1 11 $\frac{1}{10}$	2 $\frac{1}{2}$ 3 $\frac{1}{10}$	3 0 $\frac{1}{2}$ 4 1 $\frac{1}{2}$	2 $\frac{1}{2}$ f.o.b. 1 $\frac{1}{2}$ c.i.f.	2 8 $\frac{5}{10}$ 2 1 $\frac{1}{10}$
Pulp Board White	1 $\frac{1}{2}$ 1 $\frac{1}{2}$	2 0 $\frac{1}{10}$ 2 3 $\frac{1}{2}$	3 $\frac{1}{2}$ 4 $\frac{1}{2}$	4 1 $\frac{1}{2}$ 5 0 $\frac{1}{2}$	1 $\frac{1}{2}$ " 1 $\frac{1}{2}$ "	2 1 $\frac{1}{10}$ 2 1 $\frac{1}{10}$
Pulp Board White S./C.	1 $\frac{1}{2}$ 1 $\frac{1}{2}$	2 0 $\frac{1}{10}$ 2 3 $\frac{1}{2}$	3 $\frac{1}{2}$ 4 $\frac{1}{2}$	4 1 $\frac{1}{2}$ 5 0 $\frac{1}{2}$	1 $\frac{1}{2}$ " 1 $\frac{1}{2}$ "	2 1 $\frac{1}{10}$ 2 1 $\frac{1}{10}$
Pulp Board Coloured	1 $\frac{1}{2}$ 2	2 0 $\frac{1}{10}$ 2 4 $\frac{1}{2}$	3 $\frac{1}{2}$ 4 $\frac{1}{2}$	4 1 $\frac{1}{2}$ 5 0 $\frac{1}{2}$	1 $\frac{1}{2}$ " 1 $\frac{1}{2}$ "	2 1 $\frac{1}{10}$ 2 1 $\frac{1}{10}$
Pulp Board White Waterproof	1 $\frac{1}{2}$ 2	2 0 $\frac{1}{10}$ 2 4 $\frac{1}{2}$	3 $\frac{1}{2}$ 4 $\frac{1}{2}$	4 1 $\frac{1}{2}$ 5 0 $\frac{1}{2}$	1 $\frac{1}{2}$ " 1 $\frac{1}{2}$ "	2 1 $\frac{1}{10}$ 2 1 $\frac{1}{10}$
Pulp Board Coloured Waterproof	1 $\frac{1}{2}$ 2	2 0 $\frac{1}{10}$ 2 4 $\frac{1}{2}$	3 $\frac{1}{2}$ 4 $\frac{1}{2}$	4 1 $\frac{1}{2}$ 5 0 $\frac{1}{2}$	1 $\frac{1}{2}$ " 1 $\frac{1}{2}$ "	2 1 $\frac{1}{10}$ 2 1 $\frac{1}{10}$
Duplicating	2 $\frac{1}{2}$ 2 $\frac{1}{2}$	3 4 $\frac{1}{2}$ 3 9 $\frac{1}{2}$	2 $\frac{1}{2}$ 3 $\frac{1}{2}$	4 0 $\frac{1}{2}$ 4 7 $\frac{1}{2}$	2 $\frac{1}{2}$ c.i.f. 2 $\frac{1}{2}$ "	3 1 $\frac{1}{2}$ 3 2 $\frac{1}{2}$
Typewriting	2 $\frac{1}{2}$ 2 $\frac{1}{2}$	3 4 $\frac{1}{2}$ 3 9 $\frac{1}{2}$	2 $\frac{1}{2}$ 3 $\frac{1}{2}$	4 0 $\frac{1}{2}$ 4 7 $\frac{1}{2}$	2 $\frac{1}{2}$ c.i.f. 2 $\frac{1}{2}$ "	3 1 $\frac{1}{2}$ 3 2 $\frac{1}{2}$
White Antique Wove	2 $\frac{1}{2}$ 2 $\frac{1}{2}$	3 6 ..	2 $\frac{1}{2}$..	3 8 $\frac{1}{2}$ ..	.. ..	.. ..
Typewriting Antique C./L.	2 $\frac{1}{2}$ 2 $\frac{1}{2}$	3 6 ..	2 $\frac{1}{2}$..	3 8 $\frac{1}{2}$ ..	.. ..	.. ..
Duplicating Coloured Absorbent	2 $\frac{1}{2}$ 2 $\frac{1}{2}$	3 6 ..	2 $\frac{1}{2}$..	3 8 $\frac{1}{2}$ ..	.. ..	.. ..

C—contd.

Statement showing the lowest European rates for each class of paper for which simultaneous tenders were called for and the Indian equivalent including all charges—contd.

Class of Paper.	1934-35.		1935-36.		1936-37.		1937-38.	
	Lowest European rates.	Equivalent Indian rates with all charges.	Lowest European rates, f.o.b.	Equivalent Indian rates with all charges.	Lowest European rates, f.o.b.	Equivalent Indian rates with all charges.	Lowest European rates, c.i.f.	Equivalent Indian rates with all charges.
	d.	As. P.	d.	As. P.	d.	As. P.	As. P.	As. P.
Cream Laid	2 f.o.b.	3 3½	2½	3 6½	1½	3 1½	3 3½	4 7½
Azure Laid	2 "	3 3½	2½	3 7½	2½	3 4½	1 11½	3 2½
Cream Wove	1½ "	3 2½	2½	3 7	2½	3 4½	..	..
Cream Wove Bank	2½ "	3 5½	2½	3 5½	2½	3 4½	..	..
White Cartridge	..	..	2½	3 5½	1½	3 1½	..	..
Half bleached Cartridge	..	..	2½	3 8½	2½	3 8½	..	..
White Printing	..	..	1½	3 2½	..	..	..	..
White Printing S. C., S./S.	..	..	1½	3 2½	..	..	..	..
Coloured Printing	..	..	1½	3 0½	..	..	..	..
Semi-bleached Printing	..	..	1½	3 0½	..	..	..	..
Badami	..	..	1½	2 6	..	..	..	..
White Blotting	3½ f.o.b.	3 9	3	3 5½	2½	3 5½	3 1½	3 9½
Brown Wrapping	1½ c.i.f.	2 1½	1½	..	1½	1 10½	..	..
Brown Cartridge, F. G.	2½ f.o.b.	2 6½	1½	2 3½	..	..	..	..

D.

Statement showing the price and quantity of paper supplied by the several Indian Paper Mills during the last six years commencing from 1931-32 under orders placed by the Central Stationery Office.

Years.	Titagar Paper Mills.			Bengal Paper Mill.			India Paper Pulp Co., Ltd.			Upper India Couper Paper Mills.		
	Tons.	Value.	Average price per ton.	Tons.	Value.	Average price per ton.	Tons.	Value.	Average price per ton.	Tons.	Value.	Average price per ton.
		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.
1931-32 . . .	3,342	15,35,763	460	3,222	14,69,763	456	960	4,69,623	489	1,103	5,08,090	461
1932-33 . . .	2,588	12,39,448	479	2,512	11,72,675	467	1,098	5,61,802	512	639	3,11,152	487
1933-34 . . .	2,634	12,22,171	464	2,404	10,83,010	451	459	2,14,423	467	813	3,63,086	447
1934-35 . . .	3,167	13,58,563	429	2,941	12,54,647	427	916	4,33,178	473	761	3,21,071	422
1935-36 . . .	3,989	17,09,892	429	3,143	13,21,682	421	831	4,02,804	485	678	2,81,368	415
1936-37 . . .	4,655	19,67,045	423	3,439	13,94,607	406	1,194	5,46,054	457	799	3,23,616	405
1937-38 . . .	4,067	17,36,666	427	2,700	11,01,664	408	980	4,49,633	459	790	3,22,408	408

N. B.—This excludes the tonnage purchased of plain water-marked (Stamp) paper which averages 190 tons a year.

D—contd.

Statement showing the price and quantity of paper supplied by the several Indian Paper Mills during the last six years commencing from 1931-32 under orders placed by the Central Stationery Office.—contd.

Years.	Deccan Paper Mills.			Foreign sources— European Mills through D. G., I. S. D., London.			(1) J. B. Advani & Co., Calcutta. (2) Volkart Brothers, Calcutta.			Remarks.
	Tons.	Value.	Average price per ton.	Tons.	Value.	Average price per ton.	Tons.	Value.	Average price per ton.	
1931-32	296	1,28,010	432	120	41,546	346	..	..	..
1932-33	161	76,085	473	..	..	..	..	..	..
1933-34	190	84,596	445	75	26,041	347	..	..	..
1934-35	230	94,217	410	36	11,075	308	..	..	..
1935-36	241	96,976	402	..	..	.. (1)	62	17,310	279	
1936-37	290	1,12,288	387	..	..	.. (2)	96	24,810	258	
1937-38 *	425	1,63,334	384	..	..	..	..	..	..	* The figures for 1937-38 represent the quantities contracted for and not the quantities ordered.

N.B.—This excludes the tonnage purchased of plain water-marked (Stamp) papers which averages 190 tons a year.

E.

Cream Laid.

Years.	Names of the accepted Tenderers.	Test Report.				Basis of Furnish.
		G. S. M.	B. L.	Fold.	Ash.	
Minimum Specified limit		74	3500 (metres).	30	7.5% (max.)	
1932-33	T. P. Mills	73.6	3533	129	1.4	Bamboo, Wood Pulp and Rags.
1933-34	T. P. Mills	73.6	3533	90	5.0	Ditto.
1934-35	T. P. Mills	73.6	3698	115	2.9	Bamboo and Wood Pulp.
	and B. P. Mill	73.6	3739	139	2.4	Sabai Grass, Rag, Bamboo and Bleached Sulphite Pulp.
1935-36	T. P. Mills	73.6	3985	332	1.5	Bamboo and Wood Pulp.
	and B. P. Mill	73.6	3944	94	6.7	Grass, Bamboo, Rags and Wood Pulp.
1936-37	T. P. Mills	73.6	4930	206	1.3	75% Bamboo, 25% Wood.
	and I. P. P.	73.6	4437	138	5.6	1st quality Bamboo, Wood and Rags.
Minimum Specified limit		74	3500 (metres).	50	7.5% (max.)	
1937-38	T. P. Mills	73.6	4930	230	1.7	Bamboo.
	and B. P. Mill	73.6	4396	132	3.0	Grass, Rags and Bamboo.

E—contd.

Azure Laid.

Year.	Names of the accepted Tenderers.	Test Report.				Basis of Furnish.	Reason for eliminating European Tender.
		G. S. M.	B. L.	Fold.	Ash.		
Minimum Specified limit		74	3500 (metres).	30	7.5% (max.)		
1932-33 .	I. P. P. .	73.6	3533	68	6.2	1st quality Sulphite Bamboo Pulp and Wood Pulp with cotton fibre.	
1933-34 .	T. P. M. .	73.6	4396	185	2.4	Bamboo, Rags and Wood Pulp.	
1934-35 .	I. P. P. .	73.6	3657	329	4.4	1st quality Sulphite Bamboo Pulp and Wood Pulp with cotton fibre.	
1935-36 .	I. P. P. .	73.6	3657	194	6.3	1st quality Sulphite Bamboo and Wood Pulps and Rag.	
1936-37 .	I. P. P. .	73.6	4643	82	3.9	1st quality Bamboo and Wood Pulp and Rags from new cutting.	
Minimum Specified limit		74	3500 (metres)	50	7.5% (max.)		
1937-38 .	I. P. P. .	73.6	4561	130	4.2	Ditto.	

E—contd.

Cream Wove.

Year.	Names of the accepted Tenderers.	Test Report.				Basis of Furnish.
		G. S. M.	B. L.	Fold.	Ash.	
Minimum Specified limit		74	3500 (metres).	30	7.5% (max.)	
1932-33	T. P. Mills	73.6	4068	185	1.4	Bamboo, Rag, Hemp and Wood Pulp.
1933-34	T. P. Mills	73.6	4108	248	5.7	Ditto.
1934-35	T. P. Mills	73.6	3780	234	2.7	Bamboo, Hemp and Wood Pulp.
	and					
	B. P. Mill	73.6	3697	223	4.8	Sabai Grass, Rags, Bamboo and Bleached Sul- phite.
1935-36	T. P. Mills	73.6	4150	282	1.4	Bamboo and Wood Pulp.
	and					
	B. P. Mill	73.6	4150	175	3.3	Grass, Bamboo, Rags and Wood Pulp.
1936-37	T. P. Mills	73.6	5136	154	1.3	75% Bamboo, 25% Wood.
	and					
	B. P. Mill	73.6	4273	112	7.0	Grass, Bamboo, Rags, 1st quality Bleached Wood Pulp.
Minimum Specified limit		74	3500 (metres).	50	7.5% (max.)	
1937-38	T. P. Mills	73.6	5506	152	1.7	Bamboo.
	and					
	B. P. Mill	73.6	4517	51	2.6	Grass and Bamboo.

~~E~~—concl'd.

Cream Wove Bank.

Year.	Names of accepted Tenderers.	Test Report.				Basis of furnish.
		G. S. M.	B. L.	Fold.	Ash.	
Minimum Specified limit		37	3000 (metres).	20	5% (max.)	
1932-33	T. P. Mills	45.2	4282	28	1.6	Grass, Wood Pulp and Rag.
1933-34	T. P. Mills	36.8	3205	30	1.5	Grass, Wood Pulp and Rag.
	J. Dickinson	48.8	3718	63	3.0	
1934-35	T. P. Mills	36.8	3309	76	2.3	Grass and Wood Pulp.
	B. P. Mill	36.8	3780	62	4.6	
1935-36	T. P. Mills	36.8	3862	116	2.5	Grass and Wood Pulp.
1936-37	T. P. Mills	36.8	4273	30	1.0	100 % Wood Pulp.
Minimum Specified limit		37	3000 (metres).	40	5% (max.)	
1937-38	T. P. Mills	36.8	4930	44	2.2	Bamboo.

E—contd.

White Printing S/O. S. S.

Year.	Names of the accepted Tenderers.	Test Report.				Basis of furnish (declared by the Mill).
		G. S. M.	B. L.	Fold.	Ash.	
			(metres)		(%)	
1932-33	T. P. Mills	107.3	4002	282	0.6	Bamboo and Wood pulp.
1933-34	T. P. Mills	104.2	3482	162	0.0	Bamboo and Wood pulp.
1934-35	B. P. Mill	73.6	3236	126	6.3	Sabai Grass, Rags, Bamboo and 1st quality bleached Sulphite.
Minimum Specified limit		74	3000 (metres)	20	10% (max.)	
1935-36	B. P. Mill	73.6	3246	210	11.4	Grass, Bamboo and Wood pulp.
1936-37	T. P. Mills	106.6	3262	24	10.7	75% Bamboo, 25% Wood pulp.
1937-38	T. P. Mills	73.6	3780	53	2.4	Bamboo and Sabai Grass.

E—contd.

White Printing.

Year.	Titagarh Paper Mill.					Bengal Paper Mill.					India Paper Pulp Co.				
	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.
Minimum Specified limit.	74	3000	30	Per cent. 15 % (max.)	Grass and wood pulp.	73-6	4314	86	3-7	Sabai grass, rag s, bamboo and first quality bleached sulphite.	73-6	3698	51	Per cent. 3-2	First quality bamboo and first quality sulphite.
1932-33	73-6	4068	46	5-4											
1933-34	73-6	3492	35	10 % (max.) 2-9	Ditto.	73-6	3739	127	9-0	Ditto.	73-6	2794	32	4-6	Ditto.
1934-35	73-6	3657	194	3-4	Ditto.	73-6	3533	80	2-2	Ditto.	73-6	3410	84	6-3	Ditto.
1935-36	73-6	5136	194	2-2	Ditto.	73-6	4068	153	2-4	Grass, bamboo and wood pulp.	73-6	3533	106	5-4	Ditto.
1936-37	73-6	5054	226	1-7	65 % grass and 35 % wood pulp.	73-6	4848	112	3-7	Grass and bamboo.	73-6	4684	164	5-6	First quality bamboo and wood pulp.
1937-38	73-6	5177	64	2-5	Bamboo and sabai grass.	73-6	5013	80	3-7	Ditto.	73-6	3903	36	3-7	Ditto.

E—Contd.

White Printing—contd.

Year.	Upper India Couper Paper Mill, Lucknow.					Deccan Paper Mill.				
	G. S. M.	B. L. (metres).	Fold.	Ash.	Basis of furnish.	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.
Minimum Specified limit	74	3000	30	Per cent. 15 % (max.)					Per cent.	
1932-33 . . .	73.6	3574	120	2.4	Grass, hemp, rags and sulphite wood.	73.6	3616	39	2.2	Rags, bleached sulphite white and oat bran.
1933-34 . . .	73.6	3369	48	10% (max.) 2.6	Ditto.	73.6	3287	21	5.6	Ditto.
1934-35 . . .	73.6	3287	71	2.1	Ditto.	73.6	3328	64	3.7	Ditto.
1935-36 . . .	73.6	3616	96	2.6	Ditto.	73.6	3410	53	4.6	Ditto.
1936-37 . . .	73.6	4191	60	2.2	Ditto.	73.6	3903	89	5.7	Ditto.
1937-38 . . .	73.6	3698	20	2.6	Ditto.	73.6	3945	50	6.3	Ditto.

E—contd.

Semi Bleached.

Year.	Titaghur Paper Mill.					Bengal Paper Mill.					India Paper Pulp Co.				
	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.
Minimum Specified Limit.	74	2000 (metres).	20	Per cent. 15% (max.)											
1932-33 .	70.5	2531	21	18.1	Bamboo and strong sulphite.	73.6	3656	49	7.4	Sabai grass, rags, bamboo and 1st quality bleached sulphite.	73.6	2876	43	6.2	1st quality bamboo and 1st quality sulphite.
1933-34 .	73.6	3451	47	8.7 12% (max.)	Ditto .	73.6	3574	75	11.4	Ditto .	73.6	3123	55	6.8	Ditto.
1934-35 .	73.6	3985	253	5.8	Ditto .	73.6	4109	267	3.6	Ditto .	73.6	3816	232	5.6	Ditto.
1935-36 .	73.6	3985	186	5.6	Bamboo and wood pulp.	73.6	4068	221	3.2	Grass, bamboo and wood pulp.	73.6	3780	139	5.9	Ditto.
1936-37 .	73.6	5095	112	3.1	75% bamboo and 25% wood pulp.	73.6	4889	159	4.9	Grass and bamboo.	73.6	4355	136	4.9	1st quality bamboo and 1st quality wood pulp.
1937-38 .	73.6	5506	218	10% (max.) 2.4	Bamboo and Sabai Grass.	73.6	5095	134	3.3	Ditto .	73.6	4643	96	3.0	Ditto

E—contd.
Semi Bleached.

Year.		Upper India Couper Paper Mill, Lucknow.						Deccan Paper Mill.			
Minimum Limit.	Specified	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.	G. S. M.	B. L.	Fold.	Ash.	Basis of furnish.
					Per cent.					Per cent.	
1932-33	.	74	2000 (metres).	20	15% (max.)	Grass, hemp, rags and sulphite wood.	73.6	3698	35	3.8	Rags, bleached sulphite and own broke.
1933-34	.	73.6	3328	94	4.4	Ditto	73.6	3616	41	5.6	Ditto.
1934-35	.	73.6	3123	32	7.1	Ditto	73.6	3451	122	2.8	Ditto.
1935-36	.	73.6	3410	72	12% (max.)	Ditto	73.6	3204	37	7.4	Ditto.
1936-37	.	73.6	3451	105	5.2	Ditto	73.6	4109	38	4.5	Ditto.
1937-38	.	73.6	4191	106	5.3	Ditto	73.6	4027	31	1.2	Ditto.
	.		3862	27	10% (max.)	Ditto					
	.				3.5						

E—contd.

Coloured Printing.

Year.	Titaghur Paper Mills.															
	Blue Printing.				Green Printing.				Pink Printing.				Yellow Printing.			
	G. S. M.	B. L.	Fold.	Ash% (max.)	G. S. M.	B. L.	Fold.	Ash% (max.)	G. S. M.	B. L.	Fold.	Ash%	G. S. M.	B. L.	Fold.	Ash%
Minimum Specified limit.	74	3000 metres	20	15% (max.)												
1932-33 .	70.5	3088	65	10.8	73.6	3040	49	9.4	73.6	3492	50	10.8	73.6	3451	100	8.8
1933-34 .	73.6	3286	125	10.7	73.6	2752	53	9.7	73.6	3040	60	9.8	73.6	3829	236	5.3
1934-35 .	73.6	3410	139	6.4	73.6	3698	335	7.2	73.6	3610	114	4.2	73.6	3657	124	3.9
1935-36 .	73.6	3533	82	6.6	73.6	3985	114	6.3	73.6	3451	109	4.2	73.6	3780	100	4.4
1936-37 .	73.6	4150	54	6.3	73.6	4273	76	8.5	73.6	4355	76	4.7	73.6	4972	98	3.1
1937-38 .	73.6	4520	44	10% (max.) 2.2	..	..	..	..	73.6	5506	165	1.3	73.6	4643	41	3.4

Bamboo, sulphite and waste paper.
Do.

Do.

Bamboo and wood pulp.

75% Bamboo and 25% wood pulp.

Bamboo.

E—contd.

Typewriting, Cream Laid, Antique.

Year.	Names of the accepted Tenderers.	Test Report.				Basis of furnish.
		G. S. M.	B. L. (metres)	Fold.	Ash. %	
1932-33	No Tender was called for this item.	..	..	..	..	..
1933-34	No Tender was called for this item.	..	..	..	..	..
Minimum Specified limit.		54	3500 (metres)	100	5 % (max.)	
1934-35	T. P. Mills	54.1	4024	218	2.5	Bamboo.
1935-36	T. P. Mills	54.1	3857	112	0.7	100% rag.
1936-37	T. P. Mills	54.1	4807	266	1.3	95% rags and 5% wood.
1937-38	T. P. Mills	54.1	4919	152	1.4	100% rags.

Typewriting.

Year.	Names of the accepted Tenderers.	Test Report.				Basis of furnish.
		G. S. M.	B. L.	Fold.	Ash. %	
Minimum Specified limit.		40	3000 (metres)	20	5 % (max.)	
1932-33	T. P. Mills	40.6	3650	20	1.8	Grass, wood and rags.
1933-34	T. P. Mills	40.6	3798	26	1.6	Grass, wood and rags.
1934-35	T. P. Mills	40.6	3575	152	2.4	Grass, wood and rags.
1935-36	T. P. Mills	40.6	3506	114	1.0	Grass and wood pulp.
1936-37	T. P. Mills	40.6	3575	36	0.9	100% wood.
Minimum Specified limit.		40	3000 (metres)	40	5 % (max.)	
1937-38	T. P. Mills	40.6	4245	36	1.8	Bamboo.

E—contd.

White Cartridge.

Year.	Names of the accepted Tenderers.	Test Report.				Basis of furnish.
		G. S. M.	B. L.	Fold.	Ash %.	
Minimum Specified limit		104	3500 (metres)	30	15 % (max.)	
1932-33	T. P. Mills .	104·2	4208	159	2·2	Grass, rags and wood pulp.
	and B. P. Mill .	104·2	3918	101	3·0	Sabai Grass, rags, bamboo and 1st quality bleached sulphite.
1933-34	T. P. Mills .	104·2	3917	188	5·4	Grass, rags and wood pulp.
	and B. P. Mill .	104·2	3656	85	7·2	Sabai Grass, rags, bamboo and 1st quality bleached sulphite.
1934-35	T. P. Mills .	104·2	4034	392	3·3	Grass, rags and wood pulp.
	and B. P. Mill .	104·2	4353	206	3·5	Sabai Grass, rags, bamboo and 1st quality bleached sulphite.
1935-36	T. P. Mills .	104·2	4469	322	0·4	Bamboo and wood pulp.
	and B. P. Mill .	104·2	4237	130	3·1	Grass, bamboo and wood pulp.
1936-37	T. P. Mills .	104·2	4324	240	6·8	75% bamboo, 25% wood.
Minimum Specified limit		104	3500 (metres)	50	10 % (max.)	
1937-38	T. P. Mills .	104·2	4759	204	1·5	Bamboo.
	and B. P. Mill .	104·2	4527	116	4·2	Grass and bamboo.

Half Bleached Cartridge.

Minimum Specified limit		128	3000 (metres)	30	15 % (max.)	
1932-33	T. P. Mills . and B. P. Mill .	107·3	3805	93	7·0	Bamboo and strong Sulphite.
		106·6	4879	367	3·8	Sabai Grass, rags, bamboo and 1st quality bleached sulphite.
1933-34	B. P. Mills .	127·9	3617	193	10·0	Sabai Grass, bamboo, rags and 1st quality bleached sulphite.
1934-35	B. P. Mills .	127·9	4481	497	5·3	Ditto
1935-36	B. P. Mills .	127·9	4114	268	5·1	Grass, bamboo and wood pulp.
1936-37	T. P. Mills .	127·9	4871	376 (over)	2·6	75% bamboo and 25% wood pulp.
Minimum Specified limit		128	3000 (metres)	50	10 % (max.)	
1937-38	T. P. Mills .	127·9	4658	254	2·5	Bamboo.

E—contd.

Duplicating.

Year.	Names of accepted Tenderers.	TEST REPORT.										Basis of furnish.
		Absorbent quality.					Semi-absorbent quality.					
		G. S. M. 80	B. L. 2000 (metres)	Fold. 20	Ash. 5 % (max.)	G. S. M. 80	B. L. 3000 (metres)	Fold. 20	Ash. 15 % (max.)			
Minimum Specified limit												
1932-33	I. P. P.	80.6	3564	52	3.2	80.6	3602	65	3.4	1st quality Bamboo and sulphite.		
1933-34	B. P. M.	80.6	3976	73	5.8	80.6	4089	66	6.0	Sabal Grass rags, bamboo 1st quality, bleached sulphite.		
1934-35	B. P. M. and I. P. P.	79.8	3789	88	3.7	79.8	3827	134	10 % (max.) 3.6	Ditto.		
1935-36	B. P. M. and I. P. P.	79.8	3751	138	5.3	79.8	3486	206	6.9	1st quality Bamboo and sulphite.		
	B. P. M. and I. P. P.	79.8	4206	170	2.9	79.8	4017	94	4.4	Grass, bamboo and wood pulp.		
	I. P. P.	79.8	3827	72	7.6	79.8	3903	107	4.6	1st quality sulphite, bamboo and wood pulp.		
1936-37	B. P. Mill. and I. P. P.	79.8	5381	304	2.0	79.8	4548	82	2.5	Grass, bamboo and 1st quality bleached sulphite.		
	I. P. P.	79.8	5116	208	3.7	..	..	..	..	1st quality Bamboo and wood pulp.		
1937-38	I. P. P. and T. P. M.	79.8	4547	74	3.7	..	..	..	..	Ditto.		
		..	..	..	..	79.8	4964	53	8.9	Bamboo and Saba Grass.		

E—concl.
Badami.

Year.	Titaghur Paper Mills.					Bengal Paper Mill.					Upper India Couper Paper Mill, Lucknow.					Deccan Paper Mills.				
	G.S.M.	B. L. Metres	Fold.	Ash. %	Basia of tur-nish.	G.S.M.	B. L. Metres	Fold.	Ash. %	Basia of tur-nish.	G.S.M.	B. L. Metres	Fold.	Ash. %	Basia of tur-nish.	G.S.M.	B. L. Metres	Fold.	Ash. %	Basia of tur-nish.
1932-33	73.6	2506	10	9.0	Strong Sulphite paper.	73.6	2376	28	7.5	Hemp, bamboo and broke.	73.6	2629	34	7.0	Grass, jute, hemp and waste paper.	73.6	3369	24	3.0	Rags, jute, sulphite and paper shaving.
1933-34	73.6	2629	22	7.5	Ditto	73.6	3369	77	7.2	Ditto	73.6	2588	31	7.4	Ditto	73.6	3328	44	6.3	Ditto
1934-35	73.6	3533	74	5.2	Ditto	73.6	3492	59	7.3	Ditto	73.6	2871	39	7.9	Ditto	73.6	3246	43	7.1	Ditto
Minimum Specified limit.	74	1500	20	15.0% (max)																
1935-36	73.6	3309	52	4.6	Bamboo, wood Pulp and waste paper.	73.6	4150	152	4.3	Grass, hemp and waste paper.	73.6	2835	21	5.3	Ditto	73.6	3608	82	2.3	Ditto
1936-37	73.6	4027	49	2.3	60% bamboo and 40% wood pulp.	73.6	4084	124	5.9	Grass, hemp and first quality waste paper.	73.6	4068	66	9.7	Rags, hemp and waste paper.	73.6	4725	88	3.3	Rags, jute, sulphite pulp and paper shaving.
1937-38	73.6	3608	20	2.4	Bamboo and paper cutting.	73.6	3730	45	5.6	Ditto	73.6	3534	24	7.3	Ditto	73.6	4725	75	2.6	Ditto

F.

Cream

Basis of Furnish (declared by the mills).					Description of Paper.	G.S.M.	Sample reference No. or name of mill.	1st Test.		
Bamboo. %	Grass. %	Wood pulp. %	Rags. %	Indigenous Fibres. %				Date of testing.	B. L.	Fold.
89	..	11	..	..	Cream Laid, 17" x 27", 24 lbs.	78.6	I-8	Oct., 1935.	2018	8
84	..	16	..	..	Ditto . .	78.6	I-18	April, 1936.	3862	15
88	..	17	..	..	Ditto . .	78.6	I-5	Do.	4026	18
70	..	25	..	..	Ditto . .	78.6	K-4 (1935-36)	July, 1935.	2876	41
75	..	25	..	..	Ditto . .	78.6	K-4 (1936-37)	May, 1936.	3780	259
100	Cream Laid, 17" x 27", 40 lbs.	122.6	T.P.M.	May, 1937.	3740	378
42	..	48	10	..	Cream Laid, 18 1/2" x 10 1/4", 10 lbs.	68.2	I.P.P.	Dec., 1936.	4114	50
42	..	48	10	..	Ditto . .	68.2	Do.	Jan., 1937.	4408	60
25	50	25	..	..	Ditto . .	68.2	B.P.M.	April, 1935.	3002	18

N.B.—In these Statements I denotes I. P. P. Co., X (T) or T denotes T. P. Mills (Tiraghur). In many instances the furnish has been examined and Mills' declaration has been

Laid.

2nd Test.			3rd Test.			4th Test.			5th Test.			Remarks.
Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	
April, 1936.	1808	4	Oct., 1936.	1849	2	April, 1937.	1808	4	Oct., 1937.	1726	4	
Oct., 1936.	3040	18	April, 1937.	3123	20	Oct., 1937.	3369	12	..	..	..
Do.	3584	22	Do.	3287	22	Do.	3287	18	..	..	..
Jan., 1936.	3369	42	July, 1936.	2835	36	Jan., 1937.	3616	22	July, 1937.	2712	34	
Nov., 1936.	4520	185	May, 1937.	3451	178	Nov., 1937.	3040	186	..	..	..
Jan., 1938.	3847	379 (over)	..	..	..	..	..	..	..	..	..
Do.	4019	96	..	..	..	..	..	..	..	..	..
Do.	4067	119	..	..	..	..	..	..	..	..	..
Do.	2966	22	..	..	..	..	..	..	..	..	..

Government supplies

† denotes T. P. Mills (Kankinara) and B denotes B. P. Mill.
 sound fairly correct.

Azure

Basis of Furnish (declared by the mills)					Description of paper.	G.S.M.	Sample reference No.	1st Test.		
Bamboo %	Grass %	Wood pulp %	Rags %	Indigenous Fibres %				Date of testing.	B. L.	Fold.
40	..	50	10	..	Azure Laid, 17" x 27", 24 lbs.	78.6	I.P.P.	June, 1935.	3884	64
42	..	50	8	..	Do. . .	73.6	I.P.P.	May, 1936.	3798	57
42	..	50	8	..	Do. . .	73.6	I.P.P.	July, 1937.	3780	154

Cream

Basis of Furnish (declared by the mills)					Description of paper.	G.S.M.	Sample reference No.	1st Test.		
Bamboo %	Grass %	Wood pulp %	Rags %	Indigenous Fibres %				Date of testing.	B. L.	Fold.
75	..	25	..	..	Cream Wove, 17" x 27", 24 lbs.	78.6	K-17 (1935-36)	Nov., 1935.	3328	33
100	..	..	..	..	Do. . .	78.6	T.P.M.	May, 1937.	4027	336
84	..	16	..	..	Do. . .	78.6	T.P.M.	July, 1936.	3944	114
60	..	40	..	..	Do. . .	78.6	T.P.M.	May, 1935.	3862	224
25	50	25	..	..	Do. . .	78.6	B.P.M.	April, 1936.	3421	92
25	50	25	..	..	Cream Wove, 18 1/2" x 16 1/2", 12 lbs.	75.8	B.P.M.	May, 1935.	3670	88

contd.

Ladd.

2nd Test.			3rd Test.			4th Test.			5th Test.			Remarks.
Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	
Jan., 1938.	3608	80	Govt. supplies.
Jan., 1938.	3451	78	..	..	..	..	..	..	..	..	..
Jan., 1938.	3044	153	..	..	..	..	..	..	..	..	..

contd.

Wove.

2nd Test.			3rd Test.			4th Test.			5th Test.			Remarks.
Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	
May, 1936.	2753	21	Nov., 1936.	3360	14	May, 1937.	3019	18	Nov., 1937.	3287	15	Government supplies.
Jan., 1938.	4355	338	..	..	..	..	..	..	..	..	..
Jan., 1938.	4520	185	..	..	..	..	..	..	..	..	..
Jan., 1938.	3608	63	..	..	..	..	..	..	..	..	..
Jan., 1938.	3780	65	..	..	..	..	..	..	..	..	..
Jan., 1938.	3750	64	..	..	..	..	..	..	..	..	..

F—
White

Basis of Furnish (declared by the mills).					Description of Paper.	G.S.M.	Sample reference No.	1st Test.		
Bamboo. %	Grass. %	Wood pulp. %	Rags. %	Indigenous Fibres. %				Date of testing.	B. L.	Fold.
100	..	..	..	..	White Printing, 17" x 27", 24 lbs.	73.6	I-25	June, 1936.	2547	8
84	..	16	..	..	Ditto	73.6	I-15	April, 1936.	3862	20
100	..	..	..	..	Ditto	73.6	I-34	Jan., 1937.	3123	10
100	..	..	..	..	Ditto	73.6	X-7(T) 22	Jan., 1937.	5259	31
..	100	..	..	..	Ditto	73.6	X-7(T) 22	Jan., 1937.	6080	35
90	..	10	..	..	Ditto	73.6	I-35	March, 1937.	2835	8
50	50	..	..	..	Ditto	73.6	X-7(T) 22	Jan., 1937.	4683	21
25	70	5	..	..	White Printing, 17" x 27", 20 lbs.	61.3	B-14	Sept., 1936.	3499	86
20	75	5	..	..	White Printing, 17" x 27", 24 lbs.	73.6	B-2	July, 1935.	3698	103
..	60	40	..	..	Ditto	73.6	T.P.M.	Feb., 1936.	4683	90
25	50	25	..	..	Ditto	73.6	B.P.M.	May, 1935.	3574	65
57	..	43	..	..	Ditto	73.6	I.P.P.	May, 1935.	3533	50
..	60	40	..	..	Ditto	73.6	T.P.M.	April, 1936.	3821	26
55	..	45	..	..	Ditto	73.6	I.P.P.	July, 1936.	3328	53
25	50	25	..	..	Ditto	73.6	B.P.M.	April, 1936.	3862	60
52	..	48	..	..	White Printing, 17" x 27", 16 lbs.	49.0	I.P.P.	Aug., 1937.	3903	36
52	..	48	..	..	Ditto	49.0	I.P.P.	Sep., 1937.	3641	38

contd.

Printing.

[illegible]

F—

Coloured

Basis of Furnish (declared by the mills).					Description of Paper.	G.S.M.	Sample reference No.	1st Test Report.		
Bamboo. %	Grass. %	Wood pulp. %	Rags. %	Indigenous Fibres. %				Date of testing.	B. L.	Fold.
26	..	74	..	..	Coloured Printing, 17" x 27", 24 lbs.	73-6	K-9 (1935-36)	July, 1935.	3203	87

Semi.

Basis of Furnish (declared by the mills).					Description of Paper.	G.S.M.	Sample reference No.	1st Test Report.		
Bamboo. %	Grass. %	Wood pulp. %	Rags. %	Indigenous Fibres. %				Date of testing.	B. L.	Fold.
80	20	..	..	..	Semi-Bld., 17" x 27", 24 lbs.	73-6	T-141	Jan., 1937.	5136	49
60	40	..	..	..	Ditto	73-6	T-138	Do.	5177	66
50	50	..	..	..	Ditto	73-6	T-140	Do.	3986	16
25	75	..	..	..	Ditto	73-6	B-4	July, 1935.	3903	128
25	65	10	..	..	Semi-Bld., 17½" x 22½", 21 lbs.	75-0	B-17	Sept., 1936.	3871	86
60	40	..	..	..	Semi-Bld., 17" x 27", 24 lbs.	73-6	I.P.P.	April, 1936.	3698	88
56	44	..	..	..	Ditto	73-6	I.P.P.	May, 1935.	3492	72
52	48	..	..	..	Ditto	73-6	I.P.P.	April, 1937.	4355	60
60	40	..	..	..	Semi-Bld., 17" x 27", 16 lbs.	49-0	T.P.M.	Oct., 1936.	4106	39
60	..	40	..	..	Semi-Bld., 17" x 27", 20 lbs.	61-3	T.P.M.	April, 1936.	3847	57
..	60	40	..	..	Semi-Bld., 17" x 27", 16 lbs.	49-0	T.P.M.	Feb., 1936.	3888	82
25	60	25	..	..	Semi-Bld., 17" x 27", 20 lbs.	61-3	B.P.M.	May, 1935.	4391	119
25	60	25	..	..	Semi-Bld., 17" x 27", 24 lbs.	73-6	B.P.M.	April, 1936.	4109	192

contd.

Printing.

2nd Test Report.			3rd Test Report.			4th Test Report.			5th Test Report.			Remarks.
Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	
Jan., 1936.	8821	58	July, 1936.	3451	80	Jan., 1937.	8287	56	July, 1937.	3451	70	

contd.

bleached.

[illegible]

F—
Dupli

Basis of Furnish (declared by the mills).					Description of Paper.	G.S.M.	Sample reference No.	1st Test		
Bamboo. %	Grass. %	Wood pulp. %	Rags. %	Indigenous Fibres. %				Date of testing.	B. L.	Fold.
25	70	5	..	..	Duplicating, 8½" × 13½", 6½ lbs.	70.8	B—15	Sept., 1936.	3220	30
25	60	15	..	..	Ditto	70.8	B—13	May, 1936.	3532	94
25	60	15	..	..	Ditto	70.8	B.P.M.	April, 1936.	4244	178
54	..	46	..	..	Ditto	70.8	I.P.P.	Aug., 1937.	3662	74
55	..	45	..	..	Ditto	70.8	I.P.P.	July, 1936.	3524	121
57	..	43	..	..	Ditto	70.8	I.P.P.	Aug., 1937.	3637	80
52	..	48	..	..	Ditto	70.8	I.P.P.	April, 1936.	3524	126

सत्यमेव जयते

F—
Water-mark

Basis of Furnish (declared by the mills).					Description of Paper.	G.S.M.	Sample reference No.	1st Test.		
Bamboo. %	Grass. %	Wood pulp. %	Rags. %	Indigenous Fibres. %				Date of testing.	B. L.	Fold.
75	25	..	..	..	Watermarked Stamp Cap. 8½" × 13½" (Pb).	80.4	T—130	Oct., 1936.	4533	186
60	40	..	..	..	Ditto (Cal)	80.4	T—95	June, 1936.	4465	210
50	50	..	..	..	Ditto (Cal)	80.4	T—120	Oct., 1936	4397	158

सत्यमेव जयते

Stamp Cap.

2nd Test.			3rd Test.			4th Test.			5th Test.			Remarks.
Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	Date of testing.	B. L.	Fold.	
April, 1937.	4194	122	Oct., 1937.	4600	88	Government supplies.
Decr., 1936.	5108	111	June, 1937.	4194	194	..	..	..	..	..	..
April, 1937.	4059	144	Oct., 1937.	5301	72	..	..	..	..	..	..

- (3) *Extracts from D. O. No. 310, dated the 23rd March, 1938, from Sir Geoffrey Bracken, K.C.I.E., C.S.I., I.C.S., President, Tariff Board, to C. F. Weakford, Esq., M.B.E., Controller of Printing and Stationery, India, Delhi.*

Reference Tariff Board inquiry into Paper. I presume that you have now settled the contract prices for 1938-39. Could you please supply us with information as to the average price per ton for the different mills. If you give us any additional information about 1937-38, we shall be glad of it.

- (4) *Extracts from D. O. No. 44/1/38-A., & F., dated the 4th April, 1938, from C. F. Weakford, Esq., M.B.E., Controller of Printing and Stationery, India, New Delhi, to the President, Tariff Board.*

Your D. O. No. 310, dated the 23rd March, 1938.

2. I send herewith supplementary statements "A", "B", "C" and "D" bringing the information furnished in Statements "A", "B", "C" and "D" forwarded with my official letter No. 44/1/38-A. & F., dated the 31st January, 1938, up to 1938-39. Only the figures relating to 1937-38 are based on actuals, those relating to 1938-39 being based on contract figures. A note explaining the contents of each statement is also enclosed.

Note explaining the contents of Statements A, B, C and D.

Statement "A".—This statement exhibits the average price per ton of paper purchased from the Indian mills during 1937-38 and the average price per ton contracted for in respect of 1938-39.

Statement "B".—This statement exhibits the quantities of various kinds of paper purchased from the Indian mills and the prices paid to them for those purchases during 1937-38 as also the quantities contracted for, and the contract rates for 1938-39. The statement also shows the lowest European quotations received in response to tender calls for the years in question.

Statement "C".—This statement exhibits the lowest European rates obtained for different classes of paper for 1938-39 and the equivalent Indian rates therefor including all charges.

Statement "D".—This statement exhibits the quantities of paper supplied by the different Indian Mills, and the value thereof, and also the average price per ton of paper for those mills in respect of 1937-38. The Statement also exhibits similar figures for 1938-39, based on the contracts for that year, for the different mills concerned.

A.

Statement shewing the average price per ton of the Indian-made paper.

Years.	Average price per ton Rs.	Remarks.
1937-38 . . .	418	Based on the total value of orders placed.
1938-39 . . .	453	Based on the total value of the quantities contracted for.

B.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1937-38.

Class of paper.	1937-38.				Lowest C.I.F. rate per lb. European.
	Milla.	Tons.	Rate per lb.		
Cream Laid	T. P. M. B. P. M.	45 26	As. P. 3 7	F. O. R. Mill siding and free delivery Calcutta area.	As. P. 3 3½
Azure Laid	I. P. P.	318	3 9	Ditto	ditto.
Cream Wove	T. P. M. B. P. M.	180 90	3 7	Ditto	ditto
Cream Wove Bank	T. P. M.	86	3 11	Ditto	ditto
White Cartridge	T. P. M. B. P. M.	98 57	3 2	Ditto	ditto
Half-bleached Cartridge	T. P. M.	48	3 2	Ditto	ditto
White Printing	T. P. M. B. P. M.	1,434 1,198		Ditto	ditto
	I. P. P.	523	3 1		
	U. I. C. Deccan	225 224		F. O. R. Mill siding and free delivery Bombay.	..

B—contd.

Statement showing the quantity of the various classes of paper ordered from and the prices paid to the Indian Mills during the year 1937-38—contd.

Class of paper.	1937-38.				Lowest C.I.F. rate per lb. European.
	Mills.	Tons.	Rate per lb.	—	
White Printing S/C, S/S	T. P. M.	4	As. p. 3 4	F. O. R. Mill siding and free delivery Calcutta	As. p. ..
Coloured Printing	T. P. M.	445	3 6*	area. Ditto	..
Semi-bleached Printing	T. P. M.	1,005		Ditto	..
	B. P. M.	695			
	I. P. P.	273	3 0½		
	U. I. C.	371		F. O. R. Mill siding and free delivery Bombay	..
	Deccan	25			
Badami	T. P. M.	459		F. O. R. Mill siding and free delivery Calcutta	..
	B. P. M.	714	2 6	area.	
	U. I. C.	242		F. O. R. Mill siding and free delivery Bombay	..
	Deccan	143			
White Blotting	B. P. M.	113	4 1½	F. O. R. Mill siding and free delivery Calcutta	3 1½
				area.	

Brown wrapping	T. P. M.	217	2 1	Ditto	ditto	..
	B. P. M.	321				..
	Deccan	23				..
Brown cartridge F/G	T. P. M.	3	2 9	F. O. R. Mill siding and free delivery Calcutta area.		..
Manilla	T. P. M.	212	2 8	Ditto	ditto	..
	B. P. M.	150				..
Manilla Coloured	T. P. M.	32	3 4*	Ditto	ditto	..
Manilla White	T. P. M.	25	3 2½	Ditto	ditto	..
Pulp Board White	T. P. M.	13	3 0	Ditto	ditto	1 11½
Pulp Board White S/C	T. P. M.	40	3 1½	Ditto	ditto	2 5¼
Pulp Board Coloured	T. P. M.	13	3 6*	Ditto	ditto	2 6½
Duplicating	T. P. M.	81	3 5½	Ditto	ditto	3 2½
	I. P. M.	170				3 6½
Duplicating Coloured	T. P. M.	4	4 0*	Ditto	ditto	..
Typewriting	T. P. M.	96	4 0	Ditto	ditto	..
Typewriting antique C/L	T. P. M.	11	7 0	Ditto	ditto	..

N. B.—(i) * The rates for coloured Paper and Boards are inclusive of 4 pies per lb. extra chargeable by the Mills for orders less than one ton.

(ii) This excludes the tonnage ordered for the plain water-marked (Stamp) paper.

B—contd.

Statement showing the quantity and the prices of the various classes of paper for which contracts have been made with the Indian Mills for supply during the year 1938-39.

Class of paper.	1938-39.				Lowest C. I. F. rate per lb. European.
	Mills.	Tons.	Rate per lb.		
Cream Laid	T. P. M.	40	3 9	F. O. R. Mill siding and free delivery Calcutta area.	As. p. ..
	I. P. P.	25			
Azure Laid	T. P. M.	80	4 0	Ditto ditto	..
	I. P. P.	200			
Cream Wove	T. P. M.	150		Ditto ditto	..
	B. P. M.	50	3 9		
Cream Wove Bank	I. P. P.	45		Ditto ditto	..
	T. P. M.	65	4 1		
White Cartridge	T. P. M.	50		Ditto ditto	..
	B. P. M.	50	3 5		
Half-bleached Cartridge	S. G. P.	50		F. O. R. Mill siding.	..
	T. P. M.	35	3 5		
				F. O. R. Mill siding and free delivery Calcutta area.	..

White Printing	T. P. M.	1,400		Ditto	ditto	..
	B. P. M.	1,000				
	I. P. P.	400	3 4			
	U. I. C.	250				
	S. G. P.	300			F. O. R. Mill siding.	..
	Deccan.	150				
White Printing S/C, S/S.	T. P. M.	3	3 7		F. O. R. Mill siding and free delivery Calcutta area.	..
Coloured Printing	T. P. M.	200	3 5*	Ditto	ditto	..
	B. P. M.	100				
Semi-bleached Printing	T. P. M.	700				..
	B. P. M.	600	3 3½	Ditto	ditto	..
	I. P. P.	300				
	U. I. C.	400				
	S. G. P.	150			F. O. R. Mill siding.	..
	Deccan.	50				

N. B.— (i) This excludes the tonnage contracted for plain water-marked (Stamp) paper.

(ii) S. G. P. denotes Shree Gopal Paper Mills, Ltd.

(iii) * The rates for coloured paper and boards are exclusive of the extra 4 pice per lb. chargeable by the Mills for orders less than one ton.

B—concl.

Statement showing the quantity and the prices of the various classes of paper for which contracts have been made with the Indian Mills for supply during the year 1938-39—concl.

Class of paper.	1938-39.				Lowest C. I. P. rate per lb. European.
	Mills.	Tons.	Rate per lb.	—	
Badami	T. P. M.	500	As. P.		As. P.
	B. P. M.	550			1 7
	U. I. C.	200	2 8	F. O. R. Mill siding and free delivery Calcutta area.	
	S. G. P.	200			
	Deccan.	150		F. O. R. Mill siding.	
White Blotting	B. P. M.	95	4 4	F. O. R. Mill siding and free delivery Calcutta area.	4 6
Brown Wrapping	T. P. M.	200			
	B. P. M.	200	2 4	Ditto	1 10
	Deccan.	25		F. O. R. Mill siding.	
Brown Cartridge F/G	T. P. M.	5	3 0	F. O. R. Mill siding and free delivery Calcutta area.	
Manilla Buff	T. P. M.	180	2 10½	Ditto	
Manilla Dark Shade	B. P. M.	140	2 10½	Ditto	

				37	3 4*	Ditto	ditto	..
Manilla White	T. P. M.			40	3 5	Ditto	ditto	..
Manilla White Waterproof	T. P. M.			20	3 7	Ditto	ditto	..
Pulp Board White	T. P. M.			14	3 2	Ditto	ditto	2 7
Pulp Board White S/C	T. P. M.			50	2 3½	Ditto	ditto	2 8
Pulp Board Coloured	T. P. M.			7	3 4*	Ditto	ditto	2 10
Duplicating absorbent	T. P. M.			120	3 8	Ditto	ditto	.. 3 4½
Duplicating Semi-absorbent	I. P. P.			80	3 8	Ditto	ditto	..
Duplicating coloured absorbent	T. P. M.			5	3 11*	Ditto	ditto	..
Typewriting	T. P. M.			85	4 6	Ditto	ditto	..
Typewriting antique cream laid	T. P. M.			10	7 3	Ditto	ditto	10 10

N. B.—(i) This excludes the tonnage contracted for plain water-marked (Stamp) paper.

(ii) S. G. P. denotes Shree Gopal Paper Mills, Ltd.

(iii) * The rates for coloured paper and boards are exclusive of the extra 4 pies per lb. chargeable by the Mills for orders less than one ton.

C.

Statement showing the lowest European rate for each class of paper for which simultaneous tender were called and the Indian equivalent including all charges

Class of paper.	1938-39.	
	Lowest C. I. F. European rates.	Equivalent Indian rates with all charges.
	As. P.	As. P.
Badami	1 7	2 10½
White Blotting	4 6	5 10½
Brown Wrapping	1 10	2 6½
Pulp Board White	2 7	3 1½
Pulp Board White S/C	2 8	3 2½
Pulp Board Coloured	2 10	3 5½
Duplicating (absorbent and semi-absorbent)	3 4½	4 8½
Typewriting antique C/L	10 10	12 2½

D.
Statement showing the quantities of paper supplied by the several Indian Mills during the year 1937-38 and the values thereof as also the quantities contracted for 1938-39 together with their values.

Years.	Titaghur Paper Mills.			Bengal Paper Mill.			Indian Paper Pulp Co.			Upper India Couper Paper Mills.		
	Tons.	Value. Rs.	Average price per ton. Rs.	Tons.	Value. Rs.	Average price per ton. Rs.	Tons.	Value. Rs.	Average price per ton. Rs.	Tons.	Value. Rs.	Average price per ton. Rs.
1937-38 . . .	4,531	19,47,347	430	3,364	13,61,337	405	1,284	5,91,272	460	838	3,39,809	406
1938-39 . . .	3,996	18,26,995	458	2,785	12,25,817	440	1,050	5,14,733	490	850	3,75,667	442

N.B.—This excludes the tonnage purchased of plain water-marked (Stamp) paper.

D—contd.

Statement showing the quantities of paper supplied by the several Indian Mills during the year 1937-38 and the values thereof as also the quantities contracted for 1938-39 together with their values—contd.

Years.	Deccan Paper Mills.			Shree Gopal Paper Mills.			Volkart Brothers, Calcutta.			REMARKS.
	Tons.	Value. Rs.	Average price per ton. Rs.	Tons.	Value. Rs.	Average price per ton. Rs.	Tons.	Value. Rs.	Average price per ton. Rs.	
1937-38 . . .	415	1,64,097	395	..	..	..	..	..	..
1938-39 . . .	375	1,57,208	419	700	3,07,708	440	169	39,126	391	

N.B.—This excludes the tonnage purchased of plain water-marked (Stamp) paper.

7. Central Board of Revenue, New Delhi.

(1) *Letter No. 17, dated the 5th January, 1938, from the Tariff Board to the Central Board of Revenue, New Delhi.*

With reference to the Government of India, Department of Commerce, Resolution No. 202-T. (1)/36, dated the 11th December, 1937, asking the Tariff Board to enquire into the desirability of continuing measures for the protection of the Bamboo Paper and Paper Pulp Industries after 31st March, 1939, when the present protective duties expire, I am directed to say that the Tariff Board would be grateful if the Central Board of Revenue could supply them with a note by their special Chemical Adviser on the present methods of testing paper in Custom Houses and in the Central Laboratory.

2. I am also to add that the Board would like to have information on the following points:—

- (1) Whether the existing tests have been found to be satisfactory as judged by the number of border line cases and the number of disputed cases and appeals;
- (2) Whether any new methods of testing are under consideration, especially in regard to a "Sizing" test so as to distinguish between writing and printing paper.

3. The Board would be grateful if a reply could be sent not later than January 25th.

(2) *Letter No. S. C. A. Paper, III, No. 171, dated the 18th January, 1938, from Special Chemical Adviser, Central Board of Revenue, Control Laboratory, Lahore.*

PAPER AND PAPER-PULP INDUSTRIES—GRANT OF PROTECTION TO—ENQUIRY BY THE TARIFF BOARD—COMMERCE DEPARTMENT, RESOLUTION REGARDING—YOUR NO. 17, DATED THE 5TH JANUARY, 1938, TO CENTRAL BOARD OF REVENUE.

I have the honour to refer to your above cited letter sent to me for direct compliance and, as desired by the Central Board of Revenue, I enclose a note on the subject.

2. I have sent a copy of this note to the Secretary, Central Board of Revenue.

Note on the determination of Mechanical Wood Pulp in Paper and Estimation of the degree of sizing to distinguish between writing and printing paper.

The methods that are followed at present for the determination of mechanical wood pulp in paper are:—

- (a) a modified form of the Spence and Krauss fibre count method with precise weight length factors.
- (b) the Phloroglucinol Method as modified in "Analyst" 1932, p. 354.

The first method is the only one that is employed at all the Custom Houses due to the comparatively difficult manipulative operations involved in the second test.

2. Both the methods, however, are used in the Central Board of Revenue Control Laboratory. The results of the volumetric and the fibre count method give good concordance except when the paper contains much loading as indicated by a high percentage of ash on analysis. In such cases the volumetric method does not give such accurate results, the values being usually low. The Central Board of Revenue has approved the volumetric

method (v.s.) as a control method with the proviso that an ultimate decision for purposes of assessment should not be based on this method except when it favours the importer.

3. The Spence and Krauss method is efficient to an accuracy of ± 5 per cent. on the determined value but in actual practice a comparison of hundreds of analyses made at the ports and at the Control Laboratory on the same samples indicates that the method is accurate to a greater degree than this accepted variation. It has also been laid down that, in borderline cases and retests on samples, standard control samples of paper with definite percentages of mechanical wood pulp specially made for the Government of India should be analysed alongside the sample under dispute as a check.

4. With all these safeguards, it is my considered opinion that the present analytical methods are exact and no improvement is possible or necessary.

5. Since the suggestion of the Tariff Board (*vide* Report of the Indian Tariff Board, 1936, p. 25) that the question of the formulation of an exact method for the determination of the degree of sizing of a paper in order to distinguish between writing and printing papers was made, this question has been the subject of detailed examination at the Control Laboratory (*vide* paragraphs 9 and 10). Technical literature reveals that over 30 testing methods have been proposed for measuring this property. The outstanding feature is disagreement in the results obtained by different methods. The choice of a sizing test is thus a difficult task.

6. Some of the representative methods that were considered are given below with my criticisms:—

(i) *Penetration Test*.—This essentially determines the *internal* sizing although, naturally, it is influenced by surface sizing. To determine whether a paper can be classed as a writing paper or not, the degree of surface sizing is the essential controlling property. The suitability of paper for writing with pen and ink must be determined with reference to its behaviour towards (writing) ink lines and characters on the *surface* and even this property would vary with the nature of the ink used. Methods which depend on the rates of penetration of water or aqueous solutions of dyes etc., into and through paper are neither suitable nor valid for our purpose.

(ii) *Codwise* (*vide* "Paper Trade Journal", Vol. 102, p. 39) recently proposed a method which involved weighing the quantity of water absorbed by a measured area of a sample of paper in an accurately measured period of time. Quantities of water absorbed by different samples are taken as measures of the relative degree of their surface sizing.

I have examined this method and feel that differences in the quantities of water absorbed by different papers of different degrees of sizing are not well enough defined to afford critical evidence.

(iii) *Method of Testing with the Cambridge Size Tester*.—This apparatus is a device for wetting one side of the paper sample with distilled water and keeping it uniformly wet until the water has penetrated the sample sufficiently to reduce its electrical resistance to a certain value. The time interval between the application of the moisture and the attainment of the end point as indicated on the meter is taken with a stop-watch and is proportional to the sizing of the sample.

The Cambridge Size Tester is a very expensive instrument (Rs. 665 each) and, in my opinion, proper provision has not been made in the construction of this instrument for various factors liable to vitiate the test. The difference in resistance will be of the order of a few microohms and I am doubtful whether clear discrimination is possible but I have had no opportunity of using the apparatus. So far as I am aware, this method has not been generally accepted by the trade although the principle was known as long ago as 1930.

(iv) A number of other electrical methods have been proposed (vide "Pulp and Paper of Canada", Vol. 36, p. 546) which are very cumbersome and not suitable for tariff purposes which require some idea of the surface sizing of the paper.

7. In my opinion, the writing test is still the best for practical purposes and for the Customs work in particular.

8. The writing quality of a paper is best determined by the pen and ink test and, although such a test is fundamentally qualitative, it is probable the most competent available and this appears to be the opinion of most people who have to deal with this problem from the practical as opposed to purely laboratory stand-point.

9. We have tried to standardise this method by devising an instrument in which the weight of the pen, the composition of the ink, the dimensions of the writing character, the speed of writing and the pressure of the pen on the surface of the paper have been kept constant for all tests.

10. This method has been tried on many papers and I find that I can get an idea of the surface sizing sufficient at any rate to distinguish between such cases as would commonly occur. I am not yet prepared to say, however, that it is of universal application.

11. The principle of the instrument is as follows:—

A circle of paper made up of alternate sectors of the paper under test and papers of known degrees of sizing is made up in such a manner that all edges are pasted so that the pen will always "fall" from one edge to another and so never impede the regular circular motion of the Table. This table is the rotating plate of a gramophone and its motion is actuated by the gramophone motor. The pen (fountain pen) fitted with a nib of specific make and weighted in a standard manner and filled with a standard ink, is fitted to a holder which in turn is attached to a stand fixed perpendicular to the wooden frame of the gramophone. The pen is placed on the disc when the motion of the disc is as regular as possible. The pen makes its mark in concentric circles (it is lifted for each circle) on the paper.

After sufficient circles have been traced, the paper is removed and the marks compared under ordinary vision and under the microscope (to detect feathers, smudges, etc.) with those on the papers of known sizing. This is repeated until it is found possible to arrive at a definite conclusion. Usually one test is enough, the subsequently "runs" being confirmatory.

12. As I have stated on previous occasions I feel that this question is one for solution by the paper makers themselves. It appears to me that it is their function as technologists to devise a test and its manipulation. The Board's laboratories are competent to administer any test mutually agreed upon amongst the manufacturers themselves. This view was accepted by the Central Board of Revenue who have now asked the principal paper importers and associations to furnish the Board with their considered view on the subject. Some replies have been received and, as was expected, they disclose considerable divergence in their views. The trade has also been asked to furnish the Board and its Chemical Adviser with full-sized, half-sized and quarter-sized papers as they understand them in the trade. So far, "standard" samples have not been received and it is felt that more assistance might be given to testing authorities by manufacturers themselves. If they, whose whole-time function is the manufacture and presumably the standardisation of paper, cannot come to some agreement, it is difficult for analysts to be assesses in such a controversial field.

13. At present the position is that the ports employ a modified penetration test that so far has given fairly reliable results.

14. It has been observed, however, at the Control Laboratory, especially in the case of borderline samples that there is no correlation between the penetration and the writing test. Samples which do not satisfy the penetration test and on which the ports are not able to arrive at a definite conclusion

are sent for further examination to the Control Laboratory which uses its own "standard writing test" under definite conditions as mentioned in paragraphs 9, 10 and 11 as a confirmatory check on the penetration test. If the penetration test shows that a paper is hard-sized and the writing test that it is soft-sized, the result by the writing test is accepted since the writing quality is the chief determining criterion for purposes of classification for duty. There has been no case so far in which the writing test shows the paper as hard-sized and the penetration test as soft-sized.

15. Up-to-date the advice which has been given on samples submitted to the Control Laboratory for test has been accepted.

8. Forest Research Institute, Dehra Dun.

A.—WRITTEN.

- (1) *Letter No. 1102, dated the 27th December, 1937, from the Tariff Board, to the President, Forest Research Institute, Dehra Dun.*

I am directed to refer to the Government of India, Department of Commerce, Resolution No. 202-T. (1)/36, dated the 11th December, 1937 a copy of which is attached for reference. The Board would be grateful if you would be so good as to send it a note on the same lines as you did in the last enquiry (see pp. 99 to 129 of Vol. II of Evidence, Paper Enquiry, 1932), bringing all the information up-to-date.

2. I am to say that it would be of the greatest help to the Board if your note could be sent to the Secretary to the Board at No. 1, Council House Street, Calcutta, at the earliest possible date and, if possible, not later than the 31st January, 1937.

- (2) *Letter No. 58, dated the 11th January, 1938, from the Tariff Board, to the President, Forest Research Institute, Dehra Dun.*

In continuation of my letter No. 1102, dated the 27th December, 1937, I am directed to say that the Tariff Board understand that a Company is being formed to manufacture mechanical pulp in Kashmir, and to ask whether you have any information on the subject.

2. The Board will also be obliged if you can furnish detailed information about the quantity of raw material available for the manufacture of such pulp with particular reference to the kind of raw materials specifying the variety of trees and the places where they are available in sufficient quantities and so accessible as to make manufacture of mechanical pulp possible on an economical scale.

3. I am also to ask whether the Institute have undertaken any experiments on the possibility of the production of mechanical pulp in India.

- (3) *Letter No. 370/37-7-31, dated the 26th January, 1938, from the President, Forest Research Institute and College, Dehra Dun.*

With reference to your letter No. 58, dated the 11th January, 1938, I have the honour to say that we have no information regarding any Company being formed to manufacture mechanical pulp in Kashmir. In the past we had heard that the project for the manufacture of kraft paper from Kashmir spruce and fir was being actively considered by one or two firms. We do not know how far the project has materialised.

We have undertaken experiments to investigate the possibilities of producing mechanical pulp from soft woods of the broad-leaved species. In the last Utilisation Conference 17 species (list appended herewith) were selected for the tests. We are trying *pinus longifolia* (chir) at present.

The idea is that if the species, which are found suitable for mechanical pulp, are not available in sufficiently large quantities, the various provincial forest departments will undertake their plantations so that in the near future raw material for mechanical pulp would be available in the country. Past investigations have shown that spruce and fir, which are decidedly the best and most suitable species for the production of mechanical pulp, are not at present available at economic prices.

We expect to send the note required by you in your letter No. 1102, dated the 27th December, 1937, in the first week of February next.

List.

- | | |
|-----------------------------|------------------------------|
| 1. Macaranga spp. | 10. Abies pindrow. |
| 2. Excaecaria agallocha. | 11. Picea morinda. |
| 3. Broussonetia papyrifera. | 12. Kydia calycina. |
| 4. Bombax malabaricum. | 13. Gmelina arborea. |
| 5. Erythrina suberosa. | 14. Pinus longifolia. |
| 6. Butea frondosa. | 15. Tetrameles nudiflora. |
| 7. Boswellia serrata. | 16. Mallotus philippinensis. |
| 8. Eucalyptus globulus. | 17. Teak saplings. |
| 9. Sterculia spp. | |

- (4) *Letter No. 162, dated the 4th February, 1938, from the Tariff Board, to the President, Forest Research Institute, Dehra Dun.*

With reference to your letter No. 370/37-7-31, dated the 26th January, 1938, I am directed to inform you that the Tariff Board will arrive at Dehra Dun in the morning of the 24th instant and stay there till the 26th. As at present arranged the Board will like to visit the experimental factory attached to the Institute on the 24th instant at 11 A.M. and take your oral evidence at Dun Court at 3 P.M. on Friday, the 25th February. It is hoped that the date and time of the examination will suit your convenience.

- (5) *Letter No. 102-C, dated the 18th February, 1938, from the President, Forest Research Institute, Dehra Dun.*

With reference to your letter No. 162, dated the 4th February, 1938, which reached me in camp to-day, I have the honour to express my regret that I shall not be able to return to Dehra Dun in time to meet the members of the Tariff Board on their visit to the Forest Research Institute on the 24th February. I am, however, sending for your information a note prepared by Mr. Bhargava in collaboration with Mr. Trotter, which, I feel, will be of interest and assistance to the Board.

As I shall not be returning to Dehra Dun from tour until March 2nd, I would suggest that Messrs. Trotter and Bhargava may be asked to give evidence on my behalf.

A note by the Forest Research Institute, Dehra Dun, on the present position of the Paper Industry in India and possible future developments.

The progress made by the paper industry in India under the scheme adumbrated under the Bamboo Paper Industry (Protection) Act, 1925, has fully justified the policy of discriminating protection sanctioned by the Government of India in 1925.

In 1924-25 the year preceding the grant of protection, the total consumption of writing and printing papers (excluding newsprints but including note and letterpapers and envelopes) in India was 43,370 tons. Of this 23,331 tons were made in India and 20,039 tons were imported from abroad.

In 1932-33, the year in which the protection granted in 1925 was renewed, the Indian production of the above papers increased to 36,127 tons, while the imports of the "protected" varieties dwindled down to 11,490 tons.

In 1936-37, the production of the above papers by the Indian paper mills further increased to 43,951 tons, whereas the foreign imports of the "protected" varieties amounted to 11,839 tons.

During the period 1924-25 to 1936-37, therefore the production of writing and printing papers by Indian mills thus increased from 23,331 to 43,951 tons, *i.e.*, by nearly 88 per cent., while imports of the "protected" varieties decreased from 20,039 to 11,839 tons, *i.e.*, by nearly 41 per cent.

The protection granted to the industry, therefore, has enabled the Indian mills not only to supply the entire increase a consumption of 12,420 tons of writing and printing papers of the "protected" class during this period, but has also enabled them to capture 8,200 tons, or about 41 per cent., of the foreign imports of these papers. The balance of the imports, about 12,000 tons, consists of a large number of superior and special varieties of writing and printing papers. The manufacture of these has not hitherto been undertaken by the Indian mills, partly because they have been occupied in capturing the expanding market of the ordinary grades of writing and printing papers, and partly because the total tonnage of individual varieties was too small to permit their production on an economic basis. It is likely that with the increased consumption of these speciality papers in the country, and with further experience of bamboo pulp, the manufacture of these papers also may be found feasible and profitable. It may be hoped, therefore, that in the near future India may be self-sufficient with regard to almost all her requirements of the various kinds of writing and printing papers (excluding cheap mechanical printing papers).

It is interesting to point out that the expansion of the writing and printing paper industry in India during the last 12 years has been based largely on the use of indigenous raw materials, *i.e.*, bamboos and grass. In 1924-25 hardly, 5,000 tons of bamboos a year were used by the paper industry. Accurate figures for the consumption of bamboos by the paper mills in 1936-37 are not at present available at the Forest Research Institute, but at a rough estimate, it is likely to be in the neighbourhood of 36,000 to 38,000 tons. Three new mills, relying on the use of bamboo are under erection, and it is likely that within a year or so, the consumption of bamboo by the paper industry in India will go up to at least 80,000 tons per annum. The consumption of *sabai* grass has also been increasing during the last few years. While in 1924-25 the total consumption of this grass was about 27,000 tons, in 1936-37 it is likely to be at a rough estimate in the neighbourhood of 32,000 tons. As was to be expected, the increased use of indigenous raw materials was stimulated as a result of the imposition in 1932 of the protective duty on the imports of wood pulp. These imports went up from about 10,000 tons in 1924-25 to more than 20,000 tons in 1933-34, but again dwindled down to about 11,000 tons in 1936-37. It is hoped that with the requisite bamboo pulping in operation, and with a deeper and more intimate familiarity with bamboo fibre, the imports of wood pulp will eventually shrink to the very minimum required for the production of certain kinds of paper. In 1935 a conference of representatives from the paper mills of this country was convened in Calcutta, by the Forest Research Institute with a view to co-ordinating research on bamboo, so as to enable the industry to take advantage of the latest scientific developments for its healthy growth, and thus be in a position to compete successfully, without the aid of protection, with the long established and highly advanced wood pulp industry of the West, where extensive research continues in full vigour. Co-operative research on

certain problems suggested at the conference is in progress at the Forest Research Institute, and this work is, we are pleased to record, being helped in a small way by the paper industry itself, which now subscribe some Rs. 4,000 per annum towards the expenses of the Paper Pulp Section at Dehra Dun. This fact is of special interest as illustrating the recognition by the Indian mills of the work being done at Dehra Dun and the necessity for research work on pulp and paper problems generally.

While protection and the use of bamboo have served to lay well the foundation of the writing and printing industry in India, foreign imports of other kinds of papers and boards have been steadily increasing, as is shown by the statement below:—

Serial No.	Kind of paper.	Years.		
		1924-25.	1932-33.	1936-37.
		Tons.	Tons.	Tons.
1.	Kraft, wrapping and packing papers .	7,036	16,245	18,207
2.	Old newspapers .	25,700	47,369	54,730
3.	Newsprints .	17,763	22,769	36,748
4.	Printing and writing papers "not protected" .	..	7,198	8,489
5.	Straw boards .	8,125	14,989	13,456
6.	Cardboards, millboards, etc. .	1,983	5,631	10,157

It is noteworthy that the imports of old newspapers, which are largely used in bazaars for wrapping provisions, foodstuffs, fruits and other commodities, are nearly three times as much as those of kraft and packing papers. Including old newspapers, therefore, the total demand in the country for packing and wrapping purposes is more than 72,000 tons per annum, and is rapidly increasing. In the eight months, 1st April, 1937, to 30th November, 1937, the imports of kraft and wrapping papers alone were 17,984 tons, as compared to 10,975 tons in the corresponding period of 1936. If the use of kraft paper bags for cement and sugar becomes popular, the demand for kraft paper will increase considerably in the near future.

The consumption of newsprints has also increased, as seen in the statement above, by about 107 per cent. since 1924-25, and that of mechanical printing and writing papers by 18 per cent. With the advent of the Reforms and the spread of mass literacy, the consumption of these papers also bids fair to increase much more rapidly in the near future.

The consumption of straw-boards has nearly doubled itself since 1924-25. While in 1924-25, the imports of these boards were 8,125 tons, in 1936-37 they rose to 13,456 tons. About 4,000 tons were produced in this country. The consumption of other boards and manufacture of boards has also increased from 2,737 tons in 1924-25 to 10,795 tons in 1936-37.

It will be seen from the above that there is vast scope for the manufacture of packing, wrapping, newsprint, cheap printing papers, and boards of various kinds in this country. Experiments have, therefore, been initiated at the Forest Research Institute, to explore the possibilities of manufacturing these papers and boards in India. Bamboos and *Pinus longifolia* (chir) are the first selections for experimental work on the production of kraft papers. Laboratory experiments on the production of kraft pulp from bamboos have so far yielded very promising results. A few samples of bamboo kraft pulp prepared in the laboratory compared very favourably,

as regards strength properties, with some of the best Swedish kraft pulp samples. Experiments to prepare bamboo kraft pulp on a semi-commercial scale are now in progress.

As mechanical pulp is required for the production of the cheaper varieties of wrapping and packing papers and newsprints, experiments have also been initiated at the Forest Research Institute to investigate the possibilities of utilising soft white woods for the purpose. At the Forest Utilisation Conference held at Dehra Dun in March, 1937, seventeen different species of possible woods were selected for the tests. The majority of the species selected are of the broad-leaved variety. They were selected because they are found or can be quickly grown in the plains, since past investigations have shown that the conifers (which are by far the best and most suitable raw materials for the purpose) are not at present available in India at economic prices on account of the transport difficulties. It is not yet definitely known whether plentiful supplies of the species will be immediately available for the industry, if they are found suitable as a result of the experiments now in progress, but the representatives of the various provincial forest departments present at the Utilisation Conference, were of the opinion that plantations of the suitable species could be easily undertaken in the various provinces if required. It is hoped, therefore, that plentiful supplies of suitable raw materials for the production of mechanical pulp may be available in the country in the not far distant future.

Experiments have also recently been initiated at the Forest Research Institute, on behalf of the Imperial Council of Agricultural Research, to investigate the possibilities of utilising bagasse (crushed sugar cane) for the production of press boards, insulation boards, straw-boards, packing papers, etc. The results of the preliminary experiments hitherto carried out appear to be very encouraging.

With the limited funds and resources available at the Forest Research Institute, the pioneer investigations mentioned above have been undertaken to enable industrialists to have some information on the manufacture of new lines of papers (newsprints, cheap printing and packing papers, kraft papers and boards of all kinds). The demand for these papers is more than double that for writing and printing papers, and their manufacture will render the country self-sufficient with regard to almost all her requirements of papers and boards. In the present times, when the dark clouds of war loom large on the horizon, it is imperative that the country should be in a position, as early as possible, to provide most of her requirements of a commodity of such vital necessity as paper. In the event of a world conflagration in which the British Empire is involved, submarines and sea-planes could considerably cut off, if not entirely stop, the imports of papers and pulp from abroad. This will cause serious dislocation of public and private business. The Principal Supply Officers' Committee (India) of the Defence Department, New Delhi, recently carried out an investigation into the condition of the paper industry in India, and have come to the following conclusion:—

“To sum up; an increased development of the paper industry in India is essential in order to render the country self-supporting in the event of any possible emergency in the future, and this could be greatly accelerated if mechanical wood pulp could be produced in India.”

The production of mechanical pulp alone, however, is by itself insufficient to render the country self-supporting in case of an emergency. There must be adequate plant and machinery to produce all the paper required. The plants in the existing paper mills are barely sufficient to meet the growing demand even for writing and printing papers, and it is necessary, therefore, that more pulp and paper making machinery should be installed in the country. For new paper mills are under erection and expect to be in commission during the course of the present year. One of these, Messrs. The Orient Paper Mills Company is contemplating the manufacture of kraft papers and the other three, viz., the Mysore Paper Mills, the Rohtas Paper

Mills and the Star Paper Mills, will manufacture the ordinary grades of writing and printing papers. The production of these papers by these three mills is bound to result in temporary over-production, which may seriously react on the natural and healthy growth of the industry, until the equilibrium between supply and demand readjusts itself. In order that the benefits conferred on the industry by the policy of "protection" may not thus be jeopardised, and in order to encourage the establishment at an early date of more pulp and paper mills in the country, so that India may be prepared for an emergency, it seems necessary and desirable that some effective measures be taken at an early date to promote the manufacture of newsprints, kraft, cheap printing and packing papers and boards in this country. *While research on the utilisation of bamboos for the production of kraft and packing papers is still in progress and needs intensification, the results obtained so far, are in our opinion, encouraging enough to warrant the commencement of manufacture of these papers in the country.* Practical experience of large scale production, aided by continued research on the subject and by a reasonable measure of "protection" to the industry, would no doubt result in its establishment on a sound footing in due course of time.

The above optimistic view on the manufacture of kraft papers in this country, cannot, however, be extended at the present moment to the production of newsprints and other cheaper varieties of printing and packing papers and boards. At a rough calculation at least 80,000 tons of mechanical pulp could be consumed now for the production of these papers and boards, and the demand in the near future will no doubt be considerably more than this. It is not possible to visualise the time when such large quantities of mechanical pulp will be available in the country, but on the availability of this pulp depends the manufacture of more than 110,000 tons of papers and boards. Until such time, therefore, as the prospects of the availability on a large scale of mechanical pulp are not promising, the feasibility of removing the "protective" duty on the imports of *mechanical wood pulp* is well worth investigation by the Tariff Board. Mechanical wood pulp does not compete with bamboo or grass pulp, and the removal of the duty on mechanical wood pulp will not result in any financial loss to the Government, as this pulp has not been imported in the past, except in inappreciable quantities. The availability of cheap mechanical pulp may give a fillip to the establishment of mills for the manufacture of newsprints and cheap printing and packing papers, etc., and thus equip the country with pulp and paper making machinery necessary for an emergency. It is not likely that the production of these papers will adversely affect the consumption of bamboos or grasses for paper making purposes. On the other hand, the use of bamboos and grasses may increase, since the quantities of chemical pulp required for the production of about 110,000 tons of newsprints, cheap printings, packing papers and boards, will be far in excess of that required for the manufacture of that quantity of writing and printing papers which is likely to be replaced by the cheaper mechanical pulp papers. In order that the new industry of cheap papers and boards may take root and develop in the normal course, it is probable that it may need the help of some form of subsidy, particularly on account of the competition from the imports of large quantities of old newspapers. These papers are dumped into the country at such low prices as to make it impossible to manufacture, at competitive prices, any kind of paper, even from the cheapest materials available. As mentioned above, the chief use of these papers is for wrapping provisions, foodstuffs, etc. Such a use is admittedly unhygienic and, in the interests of public health, requires to be stopped. This can only be done by putting prohibitive import duties on old newspapers and at the same time enabling the country to produce clean and hygienic wrapping papers at sufficiently low prices. This course is not likely to cause any hardship to the poor consumer of old newspapers. On the other hand its indirect economic benefits would be far reaching. In villages and even in towns, higher prices of old newspapers may help to

revive to some extent the use of tree and creeper leaves for wrapping foodstuffs, etc. The leaves would certainly be cheaper and by no means uncleaner than old printed newspapers. The collection of the leaves and the establishment of mills for the manufacture of cheap packing papers will give employment to thousands of villagers and unskilled and skilled labourers.

To sum up, the present world economic and political conditions require that India should be self-sufficient as early as possible, not only with regard to most of her needs for papers and boards but also as regards the supplies of cellulose and cellulose products which are assuming an increasingly important role in the economy of human progress and civilization, both in times of peace and of war. While, as a result of the protection granted to writing and printing papers in 1925, the country is well nigh self-supporting as far as these papers are concerned, she is still dependent on foreign countries for her requirements of newsprints and cheap printing and packing papers. Research is in progress to enable the manufacture of these papers to be undertaken in the country in due course of time. A re-adjustment of the tariff schedules for the imports of mechanical wood pulp and old newspapers on the lines indicated above may, however, induce the establishment of mills for the manufacture of these papers in the immediate future. This would enable the country to have the requisite plant and machinery for the supply of all her requirements of papers and boards and thus be prepared for an emergency. Side by side with the attainment of self-sufficiency with regard to the requirements of papers and boards, the growth and development of other cellulose industries (artificial silk, cellulose nitrate for explosives, lacquers, varnishes and dopes for aeroplanes, plastic products, etc.) must also be ensured. India is already far behind many other civilized nations in the manufacture and manifold utilisation of cellulose and cellulose products. In several advanced countries of the world special cellulose research institutions have been functioning for some years. The need for organised and intensive research which is the life blood of industry was never more pressing in this country than at the present time. A reasonably liberal expenditure on research is, in the long run, more economical to the taxpayer than the indefinite continuance of protection or subsidy. In fact the provision for organised research ought to form a necessary part of any measure of protection granted to an industry, as this is the only way to obviate the necessity of prolonging the period of protection beyond what is absolutely necessary. It is hoped therefore that the Tariff Board will consider embodying in their report recommendations to ensure more ample provision for endowments for research on the development of the paper and cellulose industries so that the need for the artificial aid of protection may be dispensed with in due course.

(6) *Statements handed in by the Forest Research Institute, Dehra Dun on the 25th February, 1938, (a) Annual supplies of bamboos from Indian forests in the various provinces.*

Province.	Bamboo areas in acres.	Previous estimates in tons.	Recent estimates in tons (1936-37).	Predominant species.
<i>I. Bengal.</i>				
Chittagong Hill Tracts. Kasalong Reserve.	..	100,000	..	<i>Melocanna bambusoides</i> and other species.

(6) Statements handed in by the Forest Research Institute, Dehra Dun on the 25th February, 1938, (a) Annual supplies of bamboos from Indian forests in the various provinces—contd.

Province.	Bamboo areas in acres.	Previous estimates in tons.	Recent estimates in tons (1936-37).	Predominant species.
<i>II. Assam.</i>				
(a) Cachar Division . . .	..	..	10,000	<i>Melocanna bambusoides.</i>
(b) Sylhet Division . . .	113,000	..	20,900	..
<i>III. Bihar.</i>				
Patna Division . . .	121,600	..	9,000	<i>Dendrocalamus strictus.</i>
<i>IV. Orissa.</i>				
(a) Sambalpur Division . . .	65,988	..	26,154	<i>D. Strictus.</i>
(b) Barpukur Division . . .	116,292	..	24,271	..
(c) Angul Division . . .	160,361	..	18,000	..
(d) Puri Division . . .	42,656	..	..	<i>Bambusa arundinacea.</i>
(e) Ganjam Division . . .	23,000	..	3,000	<i>D. Strictus.</i>
<i>V. Madras.</i>				
(a) Reckapalli Hills (Upper Godavari Division.)	43,430	..	20,957	<i>D. Strictus.</i>
(b) Papikondur Reserve (Lower Godavari Division.)	..	..	5,710	..
(c) Ramapuram Range (Kollegal) .	25,000	..	17,000	..
(d) Papanasam Forests (Tinnevely).	20,000	..	25,000	<i>Ochlandra Brandisii.</i>
<i>VI. Bombay.</i>				
(a) Dangs (Surat) . . .	..	..	10,000	<i>D. Strictus.</i>
(b) Kanara . . .	..	145,700	..	..

(6) *Statements handed in by the Forest Research Institute, Dehra Dun on the 25th February, 1938, (a) Annual supplies of bamboos from Indian forests in the various provinces—concl'd.*

Province.	Bamboo areas in acres.	Previous estimates in tons.	Recent estimates in tons (1936-37).	Predominant species.
<i>VII. Central Provinces.</i>				
Raipur, Balaghat, Chanda, Nagpur, Wardha, Seoni, Bhandara, Melghat, Nimar, Betul, Bilaspur and Saugor Divisions.	1,158,976	..	27,545	<i>D. Strictus.</i>

<i>VIII. Hyderabad State</i>	..	25,000	..	<i>D. strictus.</i>
<i>IX. Travancore State</i>	..	25,000	..	<i>Ochlandra Brandisii.</i>
Total	..	..	..

Annual supplies of *ulla* grass (*Anthisteria gigantea*) from the United Provinces :—

	tons.
(a) Eastern Circle	15,000
(b) Western Circle	7,600
Total	22,600

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(b) *Pinus longifolia*-Kraft pulp.

No.	Kraft Pulp.	Beating Revolu- tions per Gram.	Freeeness.	Canadain.	Basis weight G./M.	Thickness of single sheet in thousandth of an inch.	Burst factor.	Breaking length meters.	Elongation.	Tear factor.	Remarks.
1	<i>Pinus longifolia</i>	24	683	683	60.5	4.10	49	7,342	2.63	122.0	..
2	Do.	24	683	683	58.25	3.70	53.7	9,389	2.70	93.5	Pressure 100 lb.
3	Do.	36	582	582	62.00	3.99	53.0	8,273	3.14	124.0	..
4	Do.	36	582	582	60.90	3.60	56.0	9,063	3.02	121.0	Pressure 100 lb.

(c) Wood and Bamboo Kraft Pulps and their physical properties.

No.	Kraft Pulp.	Beating Revolu- tions per gram.	Freeness number.		Pressure on the sheets in the press lb. per sq. inch.	Basis weight gm. per M ² .	Thickness of single sheet in thousandth of an inch.	Burst factor (asherott).	Tear factor.	Breaking length Meters.	Elongation.	Remarks.
			Can- adian.	S. R.								
1	Bamboo No. 6 L. I.	Unbeat- en	681	16	50	60.62	6.16	28.17	164.0	4,907	2.30	Temporary 64°F R. H. 75.
2	Do.	8	596	19.5	50	62.10	5.20	39.41	165.0	7,110	2.40	Do.
3	Do.	16	556	22.6	50	60.38	4.17	42.77	152.0	7,089	2.38	Do.
4	Bamboo No. 1 L. II	24	411	32.0	50	60.46	4.02	59.97	110.8	9,669	2.98	R. H. 80.5.
5	Do.	32	370	34.0	50	65.40	4.06	53.60	106.10	9,087	3.38	Do.
6	Do.	40	282	42.5	50	62.06	3.80	59.73	99.91	9,786	3.13	Do.
7	Do.	48	277	43.0	50	61.98	3.60	58.00	88.74	9,653	3.08	Do.
8	Do.	24	411	32.0	100	60.60	3.94	63.52	99.6	10,214	3.30	Do.
9	Do.	32	370	34.0	100	64.98	3.73	60.32	97.4	9,641	3.13	Do.
10	Do.	40	282	42.5	100	61.37	3.49	62.62	93.1	10,337	3.03	Do.
11	Do.	48	277	43.0	100	61.24	3.37	57.95	87.36	10,047	3.00	Do.
12	Wood Swedish U. H. B. K.	32	597	19.5	50	58.60	3.58	54.05	124	8,350	3.43	Temporary 60°F R. H. 83.
13	W. W. K.	32	533	22.5	50	61.20	3.52	57.30	99	9,281	3.45	Do.
14	Skoghall	32	590	19.6	50	62.76	3.82	51.86	123	8,529	3.30	Do.

(d) Swedish kraft paper (M. G.) received from Messrs. Vulcan Trading Co., Calcutta.

Kraft paper.	Basis weight G/M ² .	Burnt ash- craft lbs./ sq. in.	Burst factor.	Average tensile strength kil.	Average % elongation.	Breaking length meters.	Remarks.
No. I	59	46.6	54.1	6.34	2.19	7,164	
II	67	46.5	48.5	6.35	2.30	6,380	
III	40.7	28.35	48.6	3.58	1.86	5,872	
IV	44	35.5	50.1	3.77	2.47	5,712	
V	61	40.7	46.8	5.78	2.54	6,319	
VI	44	34.1	54.4	4.08	3.00	6,188	
VII	47.6	33.6	49.5	3.96	2.50	5,546	
VIII	50.0	36.2	49.4	4.67	2.53	6,220	
IX	47.6	31.3	46.0	3.99	2.30	5,567	
X	70.0	48.25	48.25	6.95	2.46	6,624	

(e) *Approximate cost of the Paper Pulp Section at the Forest Research Institute, Dehra Dun.*

	Rs.		Rs.
1931-32 . . .	26,650	1935-36 . . .	25,470
1932-33 . . .	22,383	1936-37 . . .	26,610
1933-34 . . .	25,441	1937-38 . . .	27,650
1934-35 . . .	25,300		

(f) *Capital invested in the Pulp and Paper Industry in India.*

	Rs.
1. Titagarh Paper Mills	1,29,00,000
2. Bengal Paper Mills	58,00,000
3. Indian Paper Pulp Company	56,00,000
4. Orient Paper Mills	25,00,000
5. Star Paper Mills	30,00,000
6. Shree Gopal Paper Mills	30,00,000
7. Lucknow Paper Mills	23,00,000
8. Mysore Paper Mills	30,00,000
9. Andhra Paper Mills	16,00,000
10. Deccan Paper Mills	8,00,000
11. Punalur Paper Mills	4,00,000
12. Rohtas Paper Mills	30,00,000
Total	4,39,00,000

(7) *D. O. letter No. nil, dated the 26th February, 1938, from Mr. H. Trotter, of Forest Research Institute, to Sir Geoffrey Bracken, K.C.I.E., C.S.I., I.C.S., President, Tariff Board.*

Herewith the revised estimate of Capital expenditure from the Paper Pulp Section. My engineer estimates Rs. 7,000 to Rs. 8,000 from the small extension required on the present laboratories, but I have put in Rs. 10,000 to be on the safe side.

Funds urgently required by the Paper Pulp Section of the Forest Research Institute.

	Approximate cost. Rs.
I. Machine and Plant—	
Kraft investigation—	
1. Bamboo crushing and feeding equipment	6,000
2. Jordan refiner	3,000
Mechanical pulp investigation—	
1. Pulp thickener and pocket feeding equipment	3,500
Paper Machine equipment for above—	
1. One pair special press rolls	2,500
2. Rotary screen	4,000
Laboratory equipment—	
1. Testing apparatus (porosity, surface, etc.)	1,500
2. Apparatus for air conditioned room	3,500
II. If Research on artificial silk is taken up, the following apparatus will be required immediately—	
Laboratory apparatus	3,000
III. Erection and fitting of above machines and supplying and fitting extra laboratory benches for new assistants	3,000
IV. Extension of existing laboratories for air-conditioned testing room and laboratory for new assistants (including gas, water and light connections)	10,000
Total	40,000

(8) D. O. letter No. 1042/34-10-37, dated the 9th March, 1938, from L. Mason, Esq., C.I.E., O.B.E., M.L.C., I.F.S., President, Forest Research Institute, Dehra Dun, to Sir Geoffery Braeken, K.C.I.E., C.S.I., I.C.S., President, Tariff Board.

As promised in the course of our discussion at Delhi on March 1st, I have discussed with Trotter and Bhargava the questions raised by you in connection with the research work into pulp and paper at the Forest Research Institute.

2. In the first place, I would like to make it clear that neither Trotter nor I are satisfied with the present position. We recognise that the extent of our research in the Pulp and Paper Section is inadequate in relation to the size and importance of the industry. This is not to say that we do not claim that despite our very limited equipment, etc., much valuable work has been accomplished in this Section nor that we are resting on our laurels.

In order that you may see just what work has been done I enclosed herewith an extract from the Annual Research Report for 1936-37.

3. Trotter, no doubt, explained to you how that within our limitations of personnel, equipment and finance, we are continuing our investigations into a number of problems connected with the pulping of bamboos and

grasses and have commenced investigation into the production of mechanical wood pulp. Of the seven specific problems which the Paper Manufacturers' Association asked us to investigate, we have in the past two years completed three, have three under investigation at the present time and await the receipt of raw material for the remaining problem.

4. A glance at our Triennial Programme for the Pulp and Paper Section will, however, show the enormous amount of research work that we are anxious to tackle and from what you have seen here and from the information Trotter has given you, you will appreciate how inadequate our present staff, equipment and funds are.

5. Trotter has submitted to you his proposals for placing our work in the Pulp and Paper Section on a more satisfactory basis. I have discussed these very fully both with him and with Bhargava. Except that I would, for the purpose of the present enquiry, omit consideration of artificial silk and cellulose, I agree that in addition to continuing our investigations into a number of problems connected with the pulping of bamboos and grasses, two main subjects for research must be the manufacture of kraft and mechanical pulp.

6. To enable us to tackle these problems on anything like a satisfactory scale, we clearly require additional equipment and staff, both of which, of course, involve additional funds. Trotter has, in consultation with Bhargava, submitted to you a statement outlining our requirements in the above respect. I have been carefully into the details of the above proposals and I consider that the equipment and staff as now proposed represent the minimum requirements if we are to tackle these problems on a satisfactory basis.

They involve, as you will observe, a capital outlay of some Rs. 37,000 and an annual recurring expenditure of Rs. 11,000. Considering the great potentialities of the pulp and paper industry, these sums cannot, I think, be considered in any way excessive.

7. I have not before me the figures of revenue derived by the Government of India from the protective duty on imported pulp and paper but the funds now asked for must represent a very small percentage of the above revenue. Again, as you pointed out to me, it would be difficult to argue that a small cess of As. 8 per ton of paper manufactured in India (which would provide the funds required) would press hardly on the protected industry.

8. Given the equipment, personnel and funds as outlined in the present proposals, I am confident that we shall be in a position to tackle these very important investigations on a satisfactory scale, and at the same time to allow Bhargava more time to visit more frequently, and keep in close touch with the mills than he has been able to do in the past.

9. Although, as you are aware, I have been engaged on tours of inspection in Bombay and elsewhere since my arrival, I would like to add that I do not consider that the blame for the admittedly slow progress of the research work of this Section lies on the staff of the Section. The cause is rather the inadequacy of the personnel, equipment and funds. We have two research officers only in this Section and the average annual expenditure of the Section has been approximately Rs. 28,000. It is clear that we are not in a position to deal with all these problems on anything like a satisfactory manner in these circumstances.

10. If there are any points on which you desire further information, I shall be only too ready to supply it to you. I need not assure you that I am most anxious to go ahead with research in the pulp and paper, the importance of placing which on an adequate and proper basis I fully appreciate. I am very hopeful that the report and recommendations of your Board will have the most beneficial results in remedying what is admittedly not a satisfactory position in respect of our research into pulp and paper.

Enclosure I.

EXTRACT FROM "FOREST RESEARCH IN INDIA", 1936-37.

PART I.—Forest Research Institute.

PAPER PULP SECTION.

I.—Experimental Factory.

1. *Disintegration of bamboos.*—The newly designed feeding equipment to the disintegrator did not give improved results as regards the flattening and partial crushing of bamboo stems. It was consequently decided to have a suitable equipment designed and made by an outside engineering firm. Negotiations in this connection are in progress with Messrs. The Kumardhubi Engineering Works, Ltd., Kumardhubi (Bengal).

2. *Semi-commercial tests on Bambusa tulda (mitenga), Dendrocalamus longispathus (orah) and Teinostachyum dullooa (dolu) were carried out and completed.* The factory experiments confirmed the laboratory results as regards the suitability of the above species for pulp and paper making. Factory trials were also carried out on the production of pulp and paper from a mixed lot of the following five species from Bengal:—

- (1) *Oxytenanthera auriculata (kaliserri).*
- (2) *Dendrocalamus hamiltonii (kokwa).*
- (3) *Dendrocalamus longispathus (orah).*
- (4) *Bambusa tulda (mitenga).*
- (5) *Teinostachyum dullooa (dolu).*

Equal quantities of each of the five species were taken, and the digestion, bleaching, etc., were carried out under normal routine conditions. The yields of pulp and paper and the quality of paper produced were about the same as those for the individual species, thus showing that mixed species of bamboos could be used for the manufacture of pulp or paper on a large scale.

3. *Pulp and paper making tests were carried out on Anthistiria gigantea (ulla grass) from Kheri division, United Provinces.* The grass gave poorer results than those obtained in 1934 from a consignment of the same grass from the same division. Not only were the yields of pulp and paper appreciably less, but both pulp and paper showed shives, in spite of the more drastic bleaching treatment employed. On enquiry it turned out that the first lot (1934) was cut from a fire-protected area and the second lot (1936) from an area subjected to annual burning. This factor might have had an influence on the quality of the two lots. There are other factors, however, which might also have influenced the quality. They are (1) the different times of the year at which the two lots were cut, (2) the different ages of the two lots, and (3) the quality of the soil and drainage of the ground on which the two lots were growing. In order to find out exactly which factors are likely to influence the quality of grass for paper-making, it is proposed to obtain small samples of the grass from different areas, cut at different times of the year, and to test them in the laboratory for yield of cellulose and consumption of chemicals. The Conservator of Forests, Eastern Circle, United Provinces, has already made arrangements for the supply of the different samples.

4. *Paper-making trials were carried out on Saccharum munja (munj grass) sent by the Radhasoami Satsang Sabha, Dayalbagh, Agra.* The quality of the paper obtained was fairly satisfactory, but the consumption of chemicals was rather high. Further experiments will be carried out to try and reduce the consumption of chemicals.

5. *A series of paper runs were made, using the samples of Indian china clays sent by Messrs. The Titagbur Paper Mills Co., Ltd., The Bengal Paper Mills Co., Ltd., and The India Paper Mills Co., Ltd., and a sample*

of English china clay, to test the comparative suitability of various clays as paper fillers. The experiments show that the Indian china clays are quite suitable and satisfactory and they are also reported to be cheaper than imported clays.

6. Experiments were carried out on the production of kraft pulp and paper from *Dendrocalamus strictus* (salia), sent by Messrs. The Orient Paper Mills Co., Ltd., and *Dendrocalamus longispathus* (orah). Whilst fairly satisfactory pulp was obtained, the paper produced was poor in strength, partly owing to defective press rolls on the paper machine and partly due to the lack of a jordan or refiner in the experimental factory. The experiments will be continued after the press rolls have been put right. The indications that good kraft can, however, be made in India from bamboos, are distinctly hopeful.

7. Packing paper was prepared from bagasse (crushed sugarcane) for exhibition in the Sugar Court at the Agricultural and Industrial Exhibition at Lucknow.

8. *Manufacture of paper, boards, etc.*—About four tons of writing, printing, type and packing papers and mounting and drying boards were produced in the experimental factory during the year under report. About 2½ tons of paper and boards were supplied to the various offices of the Forest Research Institute and College, to the Government of India Press for the annual report, and to the Silviculturist, Punjab, and the Forest Research Officer, Bihar, for some special work.

9. The erection of the small mechanical pulp grinder obtained from Messrs. J. M. Voith (Germany), was completed towards the end of the year under report. Experiments on production of mechanical pulp from bamboos and a few selected species of soft woods will now be taken in hand.

II.—Laboratory.

1. *Pulp for artificial silk.*—Experiments on the purification of bamboo pulp for the rayon and staple fibre industries were discontinued, pending the report of investigations by the Industrial Research Bureau on the possibilities of starting such industries in the country.

2. Experiments on the digestibility and bleachability of bamboo chips, supplied by the Kankinara Paper Mills, the Bengal Paper Mills and the India Paper Pulp Co. were completed and a report was made to the Paper Mills. The results confirmed the expectation that the opening out and the partial crushing of chips helped considerably in obtaining uniformly well digested and economically bleachable pulp.

3. Investigation on the causes of discoloration of bleached pulps and papers (one of the problems referred to the section by the Indian Paper Makers' Association) was taken in hand. No conclusive results have yet been obtained.

4. Physical tests (tensile, bursting, folding, tearing, bulk, etc.) on papers prepared in the factory in connection with the experiments on the suitability of Indian china clays, were carried out and tabulated. The physical properties (specific gravity, grit, water of combination, etc.) of the various samples of clays were also examined.

5. Kraft pulps were prepared from *Dendrocalamus strictus* and their strengths (tensile, bursting and tear) were compared by the standard British Pulp Evaluation method with samples of three brands of wood kraft pulp obtained from Sweden. The samples of the Indian bamboo pulp sheets, gave a higher breaking length and burst factor than those of the pulp sheets prepared from the Swedish pulps. This demonstrates that it is possible to produce kraft papers from bamboo as good as the wood-pulp kraft papers imported into this country from Sweden.

Strength tests (tensile and bursting) were also carried out on ten different samples of Swedish Kraft papers, obtained from Messrs. The Vulcan Trading Co., Bombay.

6. Four grasses, *munj*, *kans*, *dab* and *gandor*, supplied by the Radha-soami Satsang Sabha, Dayalbagh, Agra, were tested for the production of bleached and wrapping papers.

7. Pulp and paper-making tests were carried out on *Andropogon schoenanthra* (*botha* grass) at the request of the Working Plan Officer, No. II Anantpur division (Madras).

8. *Boiler feed water*.—Routine analytical tests in connection with the softening of the boiler feed water were carried out as and when required.

III.—Tours and enquiries.

1. At the request of the Mysore Government, Mr. Bhargava visited Bangalore and Bhadravati in June, 1936, to give advice to Messrs. The Mysore Paper Mills Co., Ltd., regarding the specifications of machinery for the Mills and other matters connected with the project of manufacturing paper in the State.

2. In August, 1936, Mr. Bhargava visited Dayalbagh, Agra, to discuss a project for the manufacture of paper from grasses grown on the estate.

3. In September, 1936, Messrs. The Orient Paper Mills Co., Ltd., invited Mr. Bhargava to Calcutta to discuss their project for the manufacture of paper.

4. Correspondence was carried on with Government departments, commercial firms and private individuals in connection with the technical enquiries referred to the section from time to time.

IV.—Training of Apprentices.

At the request of the Siam Government, two apprentices, Nai Sawai Supayasermsri and Nai Pairojna Dharmatcha, were admitted to the section, in September, 1936, for training in the technology of bamboo pulp and paper manufacture. The apprentices have nearly completed their course of training.

Enclosure II.

Triennial programme of the Paper Pulp Section of the Forest Research Institute, 1936-39.

Serial No.	Proposals.	Explanatory remarks.
	PAPER PULP SECTION.	
47	<p><i>Utilisation of bamboos for Pulp and Paper—</i></p> <p>(1) Chemical and microscopical examination consisting of (a) the quantitative determination of the principal chemical constituents and (b) the structure and dimensions of the ultimate fibres of the following species of bamboos—</p> <p>(a) <i>Ochlandra brandisii</i>. (b) <i>Melocanna bambusoides</i>. (c) <i>Dendrocalamus strictus</i>. (d) <i>Bambusa arundinacea</i>. (e) <i>Dendrocalamus hamiltonii</i>.</p> <p>(2) Evacuation, by standard methods, of the physical and chemical properties of the soda and sulphate pulps, prepared under standard conditions, from the five species of bamboos mentioned above.</p>	

*Triennial programme of the Paper Pulp Section of the Forest Research
Institute, 1936-39—contd.*

Serial No.	Proposals.	Explanatory remarks.
	PAPER PULP SECTION— <i>contd.</i>	
	<ul style="list-style-type: none"> (3) Preparation and purification of pulp suitable for use in the artificial silk industry. (4) Mechanical disintegration of bamboos and liquor penetration studies on chips of different sizes, to determine the optimum size of chips for economic digestion. (5) Preparation of mechanical or semi-chemical pulp from bamboos for the production of cheap qualities of papers. 	
48	<p><i>Utilisation of grasses for Pulp and Paper—</i></p> <ul style="list-style-type: none"> (1) Chemical and microscopical examination, consisting of (a) the determination of the principal chemical constituents and (b) the structure and dimensions of the ultimate fibres, of the following:— <ul style="list-style-type: none"> (a) <i>Anthistiria gigantea</i>. (b) <i>Saccharum spontaneum</i>. (c) <i>Ischaemum angustifolium</i>. (2) Evaluation by standard methods, of the physical and chemical properties of the soda and sulphate pulps, prepared under standard conditions from:— <ul style="list-style-type: none"> (a) <i>Ischaemum angustifolium</i> from different areas. (b) <i>Anthistiria gigantea</i>. (c) <i>Saccharum spontaneum</i>. (3) Preparation and purification of pulps from (a) <i>Ischaemum angustifolium</i> and (b) <i>Anthistiria gigantea</i> for use in the artificial silk industry. (4) Examination of forest grasses for pulp and paper making, as and when required. 	
49	<p><i>Investigation to turn lantana into a useful economic product for the manufacture of—</i></p> <ul style="list-style-type: none"> (a) paper pulp of any kind, and (b) baskets for packing fruits and other purposes from branches. 	
50	<p><i>Utilization of wood for Pulp and Paper—</i></p> <ul style="list-style-type: none"> (1) Chemical and microscopical examination of <i>Pinus longifolia</i>, consisting of (a) the determination of the principal chemical constituents and (b) the structure and dimensions of the ultimate fibres. (2) Evaluation, by standard methods of the physical and chemical properties of the soda and sulphate pulps prepared under standard conditions from <i>Pinus longifolia</i> from the United Provinces Forest Divisions. 	

Triennial programme of the Paper Pulp Section of the Forest Research Institute, 1936-39—concl'd.

Serial No.	Proposals.	Explanatory remarks.
	PAPER PULP SECTION—concl'd.	
	(3) Production of mechanical pulp from <i>Pinus longifolia</i> for the production of cheap papers.	
51	<i>Co-operative research, with Paper Mills, on problems of immediate industrial importance, as required from time to time.</i>	
52	<i>Compilation of the following available data about the principal and important species of bamboos and grasses—</i> (a) extent of the forest areas and the supplies available, and (b) information regarding growth, felling rotation and flowering of bamboos.	

- (9) *Letter No. 274, dated the 14th March, 1938, from the Tariff Board to the President, Forest Research Institute, Dehra Dun.*

From a letter received from the Jaipur Mineral Development Syndicate, Jaipur, the Board finds that a reference has been made to you by that Company regarding the utilization of Talc in paper making and the suitability of the Indian product for the purpose.

2. I am directed to say that the Board would be glad to have your views on the subject as early as possible.

- (10) *Report on the Meenakshi Paper Mills, Punalur, by M. P. Bhargava, Officer-in-charge, Paper Pulp Section, Forest Research Institute, Dehra Dun.*

I visited the Mills from the 22nd to the 24th September, 1937. There are two paper machines in the mill, one about 50 years and the other about 11 years old. The latter machine alone is capable of turning out about 10–12 tons of paper per day. The pulping plant, however, is very limited. There is only one digester, from which only about 2 tons of pulp per day can be obtained, due to the lack of mechanical facilities for washing or blowing the pulp out. The mill is also provided with equipment, sufficient for producing 2–2½ tons of pulp per day from waste paper and old gunny. The total pulp capacity of the existing plant, therefore, is about 4–4½ tons per day. The beating capacity of the existing plant is also limited to this quantity, as there are only 4 old beaters of about 300 lbs. capacity. The existing pulping and beating plants, therefore, restrict the maximum production of paper to 4–4½ tons per day. Even this production is not possible continuously, due to the insufficiency of available motive power. There are two steam engines sufficient to drive the constant and the variable parts of the paper machinery, but the old Ruston steam engine and the water turbine are quite inadequate for the continuous working of the rest of the plant, consisting of the reed crusher and chipper, rag duster and cutter, kneader, kollergang, breakers, beaters, etc. Due to leakages in the water channel and considerable friction losses in the shafting,

the existing water turbine is capable of developing at the maximum about 100—150 h.p. When the water level in the river is low, as it was when I visited the mill, the water turbine develops much less power. Lack of adequate power for the production of pulp has, therefore, compelled the concern, hitherto, to restrict the production of paper to 3—3½ tons per day on the average. I understand even this limited production has not been continuous, due mainly to financial difficulties. This state of affairs is very unsatisfactory indeed. Not only is the output of the mill uneconomic, but the plant is not capable of being worked efficiently and to the fullest advantage. The present management is putting up a new 800 lbs. beater in place of one of the old ones and hope to obtain the required increased power by effecting improvements in the water turbine and stopping leakages in the water channel. This is likely to enable the management to increase the daily production of paper to 6-6½ tons, using more than 60 per cent. of waste paper and old gunny in the furnish of the paper. The production of an inferior variety of about 6 tons of paper (even wrapping paper) per day, under conditions, which cannot be said to be very efficient and up-to-date, may serve to tide over the present difficulties for some time, but is not likely to help the firm to survive the very keen internal competition, which is bound to come in the near future. In my opinion if the firm is to exist, it must raise the output of paper to the minimum economic production of about 12 tons per day, based largely on the use of *eetta* pulp. Mr. J. M. Doak of Messrs. Harvey & Co., and Mr. Narasimha Iyer with whom the matter was, fully discussed, both concur with my view. The conclusions arrived at as a result of the discussions may be summarised as follows:—

- (1) That the production of the mill be brought up to the normal capacity of the paper machinery, *viz.*, 12 tons per day or 3,600 tons per annum, consisting of (a) 1,500 tons of wrapping papers and (b) 2,100 tons of bleached writing and printing papers, including superior quality of rag papers or alternatively 2,100 tons of kraft paper. The latter alternative would be preferable, as it would involve comparatively less initial capital investment and secure economy of production, in as much as a large quantity of one kind of paper would be produced, instead of comparatively small quantities of a variety of papers. The demand for kraft papers has been steadily increasing all over the country during the last few years. In the Travancore State itself, there is likely to be a fairly good demand in the near future for kraft paper bags for packing china clay, sugar and other commodities manufactured in the State. It appears, therefore, that there will be no difficulty for finding a market for the small production of about 2,000 tons a year, in the State and the neighbouring districts. For bleached writing and printing papers, the competition is very keen and is expected to be much keener in the near future. From this point of view also, production of kraft paper would be preferable to that of bleached writing and printing papers. Before, however, finally deciding on this point it seems it would be desirable to have the *eetta* reeds tested at the Forest Research Institute, Dehra Dun, to ascertain the quality of kraft papers, which can be produced from the material.
- (2) That Punalur may continue to be the site of manufacture, in view of the availability there of (a) very cheap, almost free, water power, (b) machinery and buildings and (c) cheap and trained labour.
- (3) That steps be taken to ascertain the outlay for additional machinery, buildings, etc., required for reorganising the mill as suggested above. The Forest Research Institute, Dehra Dun, would be glad to render all possible technical help and advice to the firm in this connection.

It was realised that the success of the proposed reorganisation scheme depended on the availability of adequate supplies of cheap, raw and auxiliary materials. For the production of 3,600 tons of paper per annum, as proposed above, approximately 7,000 tons of reeds will be necessary. The nearest areas from which reeds could be obtained are the Shencotta and Quilon Forest Divisions. Survey of the bamboo areas in these divisions has not been made so far, but Mr. R. Dhanukoti Pillai, Conservator of Forests, is of the opinion, that not more than 2,500—3,000 tons could be tapped from these areas. For the balance, he suggested that supplies could easily be obtained from the Northern Forest Division. From these areas the reeds could be floated down to Kundara and from there transported by road to Punalur, a distance of about 22 miles. The supplies of reeds from the Shencotta and Quilon Divisions would also involve road transport for an average distance of about 20-22 miles. A rough calculation showed that the average cost of reeds from both the areas, delivered at Punalur, would come to about Rs. 10-11 per ton. This is quite an economic price. In addition to reeds, waste paper and old gunny, sufficient to produce about 800 tons of pulp would be required. Mr. Narasimha Iyer was sure that these supplies would be easily available at economic prices from the State, South Indian Railway and other sources. The position, as regards the supplies of raw materials, is, therefore, quite favourable. It is, however, necessary to survey the Shencotta and Quilon Forest Divisions in order to ascertain the sustained supply of the reeds from these areas for the mill at Punalur.

Enquiries showed that other auxiliary materials required, *e.g.*, lime, salt cake (Sodium sulphate), china clay, etc., would also be available at Punalur at economic prices.

As regards fuel for power and steam raising purposes, the position appears to be not unsatisfactory. Part of the total power required is available from the water turbine and the existing steam engines and the balance can be obtained from the Pallivasal Hydro Electric Scheme. Mr. K. P. P. Menon, Chief Electrical Engineer, told me, when I visited him at Chitrapuram, that he would be glad to supply all the power required at cheap and competitive rates. For steam raising purposes about 5,500—6,000 tons of coal or an equivalent quantity of firewood would be required per annum. It appears from enquiries made that the cost of one ton of coal or an equivalent quantity of firewood at Punalur would be about Rs. 20 per ton. In this respect the mill at Punalur would be at a disadvantage, to the extent of about Rs. 18 per ton of paper, as compared with the paper mills in Bengal, where the cost of coal may be taken at Rs. 8 per ton. Against this disadvantage, the Punalur Mill will have the advantage, over the paper mills in Bengal, of having cheaper raw material. As stated above the price of reeds at Punalur is expected to be about Rs. 10-11 per ton, as against the average price of Rs. 16—17 per ton of bamboos obtaining in Bengal. Per ton of paper, therefore, the disadvantage of the higher price of fuel is nearly counterbalanced by the advantage of the lower price of the raw material.

According to Mr. Narasimha Iyer plentiful supplies of water would be available from the river throughout the year for paper making purposes.

It seems, therefore, that conditions for manufacture of paper at Punalur are, on the whole, fairly satisfactory and favourable, provided the existing mill is reorganised for the minimum economic production. The reorganised mill will serve as a nucleus for the future expansion of the industry in the State. It may, however, be mentioned here that Punalur does not appear to be a suitable site for future expansion, but this question may be investigated later at the proper time. For the present, it appears on the whole, expedient that the existing mill at Punalur be resuscitated and worked successfully. This would give an opportunity to gain the necessary experience and knowledge and indicate the lines on which the future developments of the industry in the State may be organised.

I must pay a tribute to Mr. Narasimha Iyer for his enterprise and perseverance in keeping the concern going all these years in the face of adverse and unfavourable circumstances. I am also very thankful to him for the hospitality he extended to me during my stay at Punalur.

(11) *Supplementary notes and statements received from the Forest Research Institute, Dehra Dun.*

(a) *Note by the Forest Research Institute on the Cultivation of Sabai Grass (Pollindium angustifolium).*

1. *Locality factors—*

- (a) *Rainfall.*—30 to 60 inches.
- (b) *Soil.*—should be well drained. A sandy soil preferred but will do on somewhat heavier soils. It cannot stand swampy or badly drained conditions.
- (c) *Light.*—Sabai grass is a light demander and must be grown in the open. It is not particular about the aspect it is grown upon.

2. *Method of propagation—*

Seed.—The grass seeds during the hot weather.

Nursery.—Seed is sown thinly in nursery beds at the beginning of the rains. 12 months old plants are best, but 3 months old transplants have also given fair results.

Soil preparation.—The ground is cleared, burnt and thoroughly hoed up to a depth of 6" to 9". The most successful results have been obtained by breaking up the ground before the hot weather sets in and again repeating the operations just before or at the commencement of the rains. No manuring is required.

Method of planting.—Three methods are used, namely:—

- (a) Nursery transplants.
- (b) Natural seeds and plants.
- (c) Roots from natural plants.

Nursery transplants are considered the best except where roots from natural plants are available within close proximity, the latter giving equally good results at a lower cost. In root plants the epizomes are dug up and divided into bunches of roots which are planted out.

Planting should be done in wet weather early in the rains (June-July). The planting espacement is from 2 feet to 3 feet apart, 5 or 6 seedlings being dipped in a bunch. About 6 maunds of roots are required per acre. Trials made with different espacements indicate that where weed growth is at all heavy, an espacement of 2' x 2' will give the best results.

Weeding.—Weedings are essential to remove the coarser grasses and other weeds which come in. Unweeded crops give very much lower yields of grass and may often lead to the extinction of the grass. One or two weedings are required during the first rains, with usually one or two weedings during the second, and one weeding in the third rains. It will probably pay to continue to do done weeding a year to keep out other invasive grasses such as imperata. It should not be allowed to flower in the hot weather. No other treatment is required.

Yields.—The grass is generally cut during November-December but in plantations in the United Provinces (Kheri District) two cuttings are taken, the first in August-September and the second in October-November. The yield, of course, varies according to the locality, the rainfall and the intensity of management. The best yields have been obtained where the soil preparation is very thoroughly carried out, followed by intensive weeding. In South Kheri, for example, in a favourable year a yield of 64 maunds per acre has been obtained as an average yield over some 60 acres of plantations. This is probably above the average yield likely to be

obtained over a period of years including favourable and unfavourable climatic conditions and an average yield of 50 maunds per acre would, perhaps, be a safer figure to work on. Yields of 24 to 75 maunds per acre have been reported from Bhagalpur Division (Bihar).

Costs.—In South Kheri, United Provinces, the costs of formation are Rs. 49 per acre. These include soil preparation done twice (i.e., before the hot weather and on the commencement of the first monsoon showers) (Rs. 20), collection of plants (Rs. 7.5), planting (Rs. 11.6), two weedings in the first year (Rs. 7), miscellaneous (Rs. 2.8). Second year and subsequent year's weedings (Rs. 5).

Returns.—The price per maund of *sabai* grass f.o.r. in recent years has been from Re. 1 to Re. 1.8 per maund.

(b) *Approximate estimate for the mill cost of production of one ton of paper using 100 per cent. bamboo furnish (annual output about 6,000 tons).*

	Rs. A.
1. Bamboo 2½ tons at Rs. 18 per ton	49 8
2. Sodium sulphate (95 per cent. purity and assuming 70 per cent. soda recovery and 90 per cent. conversion) 6½ cwts. at Rs. 4 per cwt.	25 0
3. Lime (80 per cent. CaO and assuming 75 per cent. conversion) 8 cwts. at Re. 1 per cwt.	8 0
4. Electrolytic bleach (including cost of salt, lime, electric energy, labour, etc.)	18 0
5. Rosin, alum, clay, dyes, etc.	22 0
6. Coal 4 tons at Rs. 10 per ton	40 0
7. Labour and supervision	45 0
8. Stores, repairs and lubricants, etc.	20 0
9. Insurance, etc.	3 0
10. Packing and transport	12 8
Total	243 0

(c) *Approximate estimate for the mill cost of production of one ton of paper, using 50 per cent. bamboo and 50 per cent. sabai grass furnish (annual output about 6,000 tons).*

	Rs. A.
1. Bamboo 1½ tons at Rs. 18 per ton	24 12
2. Grass 1½ tons at Rs. 1.8 per maund	61 8
3. Sodium sulphate (95 per cent. purity and assuming 70 per cent. soda recovery and 90 per cent. conversion) 5½ cwts. at Rs. 4 per cwt.	22 8
4. Lime (80 per cent. CaO and assuming 75 per cent. conversion) 7 cwts. at Re. 1 per cwt.	7 0
5. Electrolytic bleach (including cost of salt, lime, electric energy, labour, etc.)	12 12
6. Rosin, alum, clay, dyes, etc.	22 0
7. Coal 3½ tons at Rs. 10 per ton	35 0
8. Labour and supervision	45 0
9. Stores, repairs, lubricants, etc.	20 0
10. Insurance, etc.	3 0
11. Packing and transport	12 8
Total	266 0

- (12) *Letter No. 1459/37-1-38, dated the 1st April, 1938, from the President, Forest Research Institute, Dehra Dun.*

With reference to your letter No. 274, dated the 14th March, 1938, I have the honour to say that we recently received a letter on the subject of talc, from the Jaipur Mineral Development Syndicate. Talc is used in Europe and America for *special purposes* in the paper industry. We have not done any work on it here. If the paper industry of this country intends to use it and wants us to do tests on it, we shall of course be pleased to do them, but at present we are doing no work on talc nor do we intend to do so, unless we are asked by the Paper Mills. We have too much other work of greater importance on hand.

- (13) *Letter No. 378, dated the 5th April, 1938, from the Tariff Board to the President, Forest Research Institute, Dehra Dun.*

I am directed to say that the Board is most grateful to you for the very useful information sent in connection with the costs of production of a ton of paper using 100 per cent. bamboo furnish and 50 per cent. bamboo and 50 per cent. grass furnish. The Board would like to have an explanatory note on the items given in your estimates, for instance, how the quantities of auxiliary materials used per ton of paper have been arrived at, on what basis the price of coal per ton has been calculated showing—costs separately of labour and supervision, packing and transport, etc.

I am also to request you to be good enough to supply the Board with similar estimates of costs of production of one ton of paper by the sulphite process using 100 per cent. bamboo furnish in a mill of the same capacity.

- (14) *Letter No. 2092/37-7-31, dated the 7th May, 1938, from the President, Forest Research Institute, Dehra Dun.*

With reference to your letter No. 378, dated the 5th April, 1938, I have the honour to say that an explanation of the various items in our estimate is given below:—

1. *Loss in mechanical disintegration, screening, etc.*, of bamboo was taken at about 9 per cent., and the yield of paper at 40 per cent. 2½ tons of bamboo are, therefore, required for one ton of paper.

2. *Loss in cutting, screening, etc.*, of *sabai* grass was taken at 5 per cent. and the yield of paper at 35 per cent. 3 tons of grass are, therefore, required for one ton of paper.

3. *The percentage of total alkali for digestion* was taken at 18 per cent. for bamboo and 12½ per cent. for *sabai* grass. The proportion of caustic soda to sodium sulphide in the cooking liquor was taken at 7: 3, assuming 70 per cent. soda recovery. The purity of sodium sulphate was taken at 95 per cent. and the conversion factor at 90 per cent.

4. *Lime* of 80 per cent. calcium oxide content was taken for converting the recovered ash into caustic soda (assuming 70 per cent. soda recovery and 75 per cent. conversion).

5. *Consumption of standard bleaching powder* (35 per cent. chlorine) was taken at 14 per cent. on bamboo pulp and about 6 per cent. on grass pulp, i.e., about 120 lbs., chlorine, in the case of all bamboo paper, and about 85 lbs. in the case of half bamboo and half grass paper, are required per ton of paper. For the production of calcium hypo-chlorite solution containing 120 lbs. of chlorine, the cost of salt, lime, power, labour, etc., comes to Rs. 18, and for a solution containing 85 lbs. chlorine Rs. 12-12 proportionately. The caustic soda obtained as a bye-product, if utilised, would effect a saving of about Rs. 10 per ton of paper in the case of all bamboo paper, and about Rs. 8 per ton in the case of half bamboo and half grass paper, since less sodium sulphate would be required for the digestion of the raw materials.

6. *The quantities and costs of other chemicals per ton of paper were taken as follows:—*

	Rs.
Rosin—0.4 cwt. at Rs. 18 per cwt.	7.2
Alum—1.2 cwt. at Rs. 4.4 per cwt.	5.1
Clay—2.5 cwt. at Rs. 3 per cwt.	7.5
Dyes, etc.	1.2
Other chemicals, e.g., soda ash, casein, acids, etc.	1.0
Total	<u>22</u>

7. *The quantity of coal used per ton of paper was taken at 4 tons, assuming that the quality of coal used is inferior, as ordinarily used by the mills. If a superior grade of coal at a comparatively higher price is used, the quantity per ton of paper may be taken at 3½ tons for all bamboo paper and about 3 tons for half bamboo and half grass paper. This quantity of coal was estimated for raising steam for all purposes in the mill, viz., digestion, soda recovery, drying of paper, generation of total power requirements, heating processes, etc.*

8. *The charges for labour may be taken at Rs. 28—30 and for supervision at Rs. 17-15 per ton of paper.*

9. *The costs of stores, repairs, lubricants, etc., was taken as a lump sum and so also for insurance.*

10. *Out of Rs. 12.8 per ton estimated for packing and transport, Rs. 2.8 to Rs. 3 may be taken for the transport of the finished product from the mill to the railway station, and the balance for packing charges.*

11. *We have no reliable and definite data regarding the yield of pulp from bamboo by the sulphite process, nor of the quantities required for the digestion of bamboos on a large scale by this process. However, we give a rough estimate below, assuming that the yield of pulp would be higher than by the sulphate process, that more steam would be required for the digestion of the bamboos, and that bleach consumption and other items would be the same as in the sulphate process:—*

	Rs. A.
1. Bamboo 52 cwts. at Rs. 18 per ton	40 8
2. Sulphur, at 14 per cent. on bamboo chips, 6½ cwts. at Rs. 4 per cwt.	26 0
3. Magnesite, at 10 per cent. on bamboo chips, 4.625 cwt. at Rs. 5 per cwt.	23 0
4. Electrolytic bleach (as in the case of sulphate pulp)	18 0
5. Rosin, alum, clay, dyes, etc.	22 0
6. Coal 4½ tons at Rs. 10 per ton	42 8
7. Labour	30 0
8. Supervision	15 0
9. Stores, repairs, lubricants	20 0
10. Insurance, etc.	3 0
11. Packing and transport	12 8
Total	<u>252 8</u>

**Evidence of Mr. H. TROTTER and Mr. M. P. BHARGAVA, recorded
at Dehra Dun on Friday, the 25th February, 1938.**

B.—ORAL.

President.—Gentlemen, we want your official titles and so on.

Mr. Trotter.—I am the Utilization Officer of the Forest Research Institute and Mr. Bhargava is the Officer-in-charge of the Paper Pulp Section. The Inspector General of Forests is the President of the Forest Research Institute.

President.—How many Branches have you got under you?

Mr. Trotter.—There are 5 Branches in the Institute of which the Utilisation Branch is one. This Branch is divided into seven sections under me and the Paper Pulp section is one of them.

President.—Mr. Bhargava is in charge of one Section?

Mr. Trotter.—Yes, of the Paper Pulp Section.

President.—With regard to the question of production of pulp in mills and imports, we have got accurate information on those, so we need not go into that now. I am first taking you through your note. You have made an interesting suggestion with regard to old newspapers which are competing with other wrapping papers apparently. Is most of the imported old newspapers—over 50,000 tons—used for wrapping purposes?

Mr. Bhargava.—It is mostly used in bazaars for wrapping provisions, foodstuffs and so on.

President.—Is it used for any other purpose?

Mr. Bhargava.—For packing purposes too to a certain extent.

President.—None of the old newspapers are used by mills for making paper?

Mr. Bhargava.—That is so; they use other waste papers for that purpose.

President.—When they buy from contractors, some of these papers may also come in?

Mr. Bhargava.—Usually they try to avoid buying paper containing mechanical pulp.

President.—Your point of view is that unless you stop the import of this cheap wrapping material which is insanitary and so on, it would not be possible to develop the manufacture of wrapping paper?

Mr. Bhargava.—Exactly, because it is impossible to make any paper as cheaply as old newspaper. I understand the price at the port is about 9 pies per pound.

Mr. Rahimtoola.—What sort of papers are these? Are they browns?

Mr. Bhargava.—White. Old newspapers like the "Daily Mail," "Daily Telegraph" and so on. They come from America, from the Continent, England and several other countries.

President.—On the other hand, from the point of view of the poor consumer, to use more expensive wrapping paper will mean extra expenditure to him?

Mr. Bhargava.—I don't think it would be a heavy burden because the consumption of old newspapers by the poor man will not be more than a pound or so on the average in a year, and even if the price is 100 per cent. more it would only mean about one anna per year which will not be a very heavy burden. On the other hand, the use of leaves, which some years ago were being used for this purpose would encourage an indigenous industry and give more employment to villagers.

President.—Can leaves be used in place of old newspapers?

Mr. Bhargava.—Yes, for quite a number of purposes leaves could be utilised.

President.—Is there a natural sale of leaves for that purpose?

Mr. Bhargava.—Yes. But it has dwindled down now. Formerly a large number of these leaves used to be obtained from villages and used by middle class men as well.

Mr. Trotter.—There is already a tendency on the part of bazaar shops to use brown paper bags because such bags give a certain amount of status to the shopkeeper who packs his goods in brown paper bags instead of old newspapers.

Mr. Bhargava.—Even in small towns, for packing vegetables and so on, they are using kraft bags instead of newspapers.

President.—Of course the use of old newspaper is not unknown in England?

Mr. Bhargava.—Yes. But in Sweden it is prohibited legally for wrapping purposes from the sanitary point of view.

President.—In regard to the question of straw-boards and other boards, there are two or three small companies making straw boards and other kinds of boards already working?

Mr. Bhargava.—There is one straw-board mill at Saharanpore manufacturing on a large scale. In Calcutta and perhaps in Bombay there are one or two small concerns. One straw-board mill is also being put up at Shahdara with a capacity of about 20 tons per day or about 6,000 tons a year.

President.—What is the material they are going to use?

Mr. Bhargava.—I have no idea so far. Just this morning I got a letter from one of the proprietors of that mill. He wants to know whether he should put up an M. G. Cylinder. He says he cannot get thick boards on the machine he has and someone has suggested to him that he should put up an M. G. cylinder for the purpose. But up till now we really did not know anything about this mill.

President.—We also have only just heard of it as a matter of fact. What material is the Saharanpore mill using?

Mr. Bhargava.—Wheat straw and all sorts of jungle grasses from the neighbourhood and some *sabai*. Recently Mr. Trotter and I went there and we found villagers from the neighbourhood bringing in all sorts of grasses in bundles on their heads.

President.—For the manufacture of board can you use all kinds of material?

Mr. Bhargava.—For straw-boards almost any material can be used. But for the manufacture of card-board or better quality of boards it would not be possible to use any and every sort of material. They have to use straw of uniform quality which can be properly digested.

President.—What about bagasse?

Mr. Bhargava.—Bagasse can be used. We are making experiments now with bagasse for the production of insulation boards and press boards. Possibly bagasse could be used for white card-boards, millboards and so on, but we have not made any experiments on those so far. It is primarily a question of cost; if bagasse can be had cheaper than straw and inferior qualities of grasses, it may be possible to use it.

Mr. Trotter.—Bagasse is already used in large quantities in other countries for fibre boards.

Mr. Bhargava.—There is the question of the quantity of bagasse which is available, as I understand that there are only a few mills which have surplus bagasse: the rest burn it and will part with it only at the univalent price of coal.

Mr. Rahimtoola.—You have not worked out the costs for use of bagasse on a commercial basis?

Mr. Bhargava.—We have not yet worked that out. We have just started the tests on the manufacture of insulation boards and press boards.

Mr. Rahimtoola.—Can you secure for us an estimate of the cost of manufacture of boards from bagasse in other countries?

Mr. Bhargava.—I am afraid it is rather difficult, because mills in other countries will not give us the correct information. But I shall work out the approximate cost of production of insulation and other boards, when the experiments are concluded.

President.—In regard to these small mills, manufacturing straw-boards and so on, we endeavoured to find out what their position was and sent them copies of our questionnaire. They have not troubled to reply or to ask for any protection and they do not appear to be interested. Can you give us the reason for that?

Mr. Bhargava.—As far as I can see, it is probably due to a rise in the price of imported boards. The small mills are perhaps able to sell their products easily and make some profit. On account of the rise in price it pays the Saharanpore mill to sell boards even in Bombay, but I remember very well that two or three years back the then manager of the Saharanpore mill, the man who has started the mill at Shahdara, had great difficulty and complained that he could not sell his products. Since then things have probably improved owing to a rise in the price of imported boards.

President.—What is the name of the person interested in the Saharanpore mill who has put up this factory at Shahdara?

Mr. Bhargava.—One Mr. Bali, who was perhaps a partner in the mill at Saharanpore. He has now started another firm and has bought the plant from Japan at a cheap price.

President.—Does he live in Delhi?

Mr. Bhargava.—I shall find out and let you know.

President.—In regard to your experiment on bamboo kraft pulp on a semi-commercial scale, have you arrived at any estimate of the cost?

Mr. Bhargava.—We have not yet been able to make satisfactory paper on a semi-commercial scale because of the lack of certain equipment, but we have prepared in the laboratory, both paper and pulp. We have made pulp on a semi-commercial scale, but the quality of the paper we made on our small experimental machine was poor. The same pulp was converted into paper in the laboratory and showed good strength. This shows that our machine equipment is at fault. We have not got the necessary beating equipment.

President.—So you are not really in a position to judge yet?

Mr. Bhargava.—I think we have made good pulp, and there is no reason why it should not be possible to make paper of the desired strength, because primarily it is the strength of the pulp which accounts for the strength of the paper.

President.—Do you make kraft pulp in a different way to bleached pulp?

Mr. Bhargava.—The digestion is different. It is not so drastic. In the case of kraft pulp the entire amount of lignin and other carbohydrates need not be removed. I have got here a tabular statement of the results of the strength tests on our kraft paper made in the laboratory and on some samples of kraft pulp and paper which we got from Calcutta. The strength results of imported kraft pulp and paper may be compared with those of paper prepared in the laboratory here (handed in).

President.—Will you give us copies of these tests you have made on kraft pulp and paper?

Mr. Bhargava.—Yes.

Mr. Trotter.—Whatever results we get on our small machine will, I think be improved upon on a bigger commercial machine.

President.—Do you think it will be possible to make kraft of that kind of quality (shown)?

Mr. Bhargava.—We think so. We have not so far tested the porosity of bamboo paper for cement bags, etc., but for making kraft paper for wrapping purposes we think bamboo pulp should be just as good as any Swedish pulp.

Mr. Rahimtoola.—You are not in a position to say to-day whether there is any possibility of turning out paper of this quality?

Mr. Bhargava.—There is every reason to believe it can be done because we have prepared bamboo pulp of as good strength as the pulp from which these are made in foreign countries.

Mr. Rahimtoola.—Could you say that bamboo pulp has passed the experimental stage?

Mr. Bhargava.—No. We could not arrange as yet to have paper made in any mill, but we expect that as soon as some of the new mills are in operation, it will be possible to try it out on a large scale. Our experiments here however indicate that the pulp is quite suitable.

President.—We will pass on to the question of mechanical pulp. You are making some experiments on the manufacture of mechanical pulp?

Mr. Bhargava.—Yes.

President.—With what result so far?

Mr. Bhargava.—We have just begun to experiment. We are now trying *chir*. We have not got quite as good results as one could expect, but that is probably because our grinder is on a very small scale and naturally it does not give as good result as a good commercial grinder would.

President.—What other woods have you tried so far?

Mr. Bhargava.—We have tried paper mulberry. That is the second one. We have selected 17 different species of soft white woods, and the idea is to try them all and find out which would be suitable for our purposes.

President.—Have you tried spruce and fir?

Mr. Bhargava.—We have not, but they are wellknown timbers for this purpose and I don't think they will require very much experimentation. Moreover, we do not think these will be available at an economic price, at any rate in the near future. Our aim, therefore, is to try some of the soft wood which are available in the country at an economic price.

President.—When you say they are not available at an economic price, do you mean that they are not available in large quantities?

Mr. Bhargava.—They may be available in large quantities but the transport charges are very heavy, owing to the long distances they have to be brought and the difficulties of extraction.

President.—We have been informed that it may be possible to obtain supplies from Kashmir for the purpose.

Mr. Bhargava.—We have no very definite information about that. We also heard that there was a scheme on foot to utilise Kashmir spruce and fir for the manufacture of kraft paper.

President.—This project is not to make mechanical pulp?

Mr. Bhargava.—No. The project was for kraft pulp. I think personally it would be better to use Kashmir spruce and fir for the manufacture of mechanical pulp, because in this country we have got another material, bamboo which can be utilised for the production of kraft paper. If spruce and fir can be obtained from Kashmir at an economic cost, it would solve the problem of the manufacture of mechanical pulp in the country, as they are probably the best raw materials for this purpose.

Mr. Trotter.—I would like to hand in this extract from the Proceedings of the Forest Utilisation Conference of March, 1937. It gives a list of the species which were recommended by the forest representatives of various provinces to be tried for mechanical pulp. There are 17 species down on his list for test.

Mr. Bhargava.—We have also got spare copies of the strength tests of bamboo kraft which we can let you have.

President.—When do you expect the experiments on these other species to begin?

Mr. Bhargava.—We are trying them out one by one, but it all depends on the facilities we have here. We are very much understaffed and we have not got all the equipment necessary. If we could have more staff and equipment, we could carry out these experiments at an early date.

President.—We will go into the question of staff and equipment later.

Mr. Trotter.—There are actually 4 species here for trial at the present moment.

Mr. Rahimtoola.—When you start these experiments, do you try and ascertain the quantity available in this country?

Mr. Trotter.—Yes. That is one of the most important things.

Mr. Rahimtoola.—When you refer to these 17 species on the list, I suppose that point has been taken into consideration?

Mr. Trotter.—Yes. These species are either already very common in various provinces or are very easily raised in plantations.

Mr. Rahimtoola.—What period will be taken to raise them, about 3 to 4 years approximately?

Mr. Bhargava.—That may be so for one of the species.

President.—Which of the species?

Mr. Bhargava.—Paper mulberry.

Mr. Trotter.—It is a very quick growing species. There are also some other quick growing species on the list.

President.—What length of time would most of these species normally take?

Mr. Bhargava.—15 to 20 years.

President.—Is *Binus longifolia* (chir) available in sufficient quantities in accessible areas?

Mr. Bhargava.—It is available in sufficient quantity at any rate for the production of one mill.

President.—Whereabouts?

Mr. Bhargava.—In the East Almora Division of the United Provinces.

President.—Anywhere else is it available in sufficient quantities?

Mr. Trotter.—No.

President.—What about the Punjab? Is it not available from similar forests there?

Mr. Trotter.—No. It grows there, but is not economically available.

President.—In Bihar?

Mr. Trotter.—No. Not in Bihar. Chir does not grow in Bihar.

President.—The only accessible area you are aware of is in the United Provinces.

Mr. Bhargava.—Yes, but in Bihar there are other species available.

President.—First of all you have got to see whether they are suitable and then you go into the question of supply?

Mr. Trotter.—Yes, within reason, but we do not select unlikely species for test. These are all species which the forest representatives from various provinces suggested as being available in large quantities or readily grown in plantations.

Mr. Rahimtoola.—How long do you think you would take before you could say you will be in a position to manufacture mechanical pulp in this country? Is it too early to say at this juncture?

Mr. Trotter.—It is too early to say now. When you were going over the mill yesterday, you saw us making some mechanical pulp paper from chir. That paper would probably not be acceptable to a very respectable paper like the "Statesman", but it might be readily acceptable to other small newspapers.

Mr. Rahimtoola.—Mostly vernacular papers.

Mr. Trotter.—Yes, but that paper you saw yesterday must be looked upon as one of our first experiments on mechanical pulp paper. It might be improved considerably. The point is that we have already made a start.

Mr. Rahimtoola.—Could you tell us the cost of manufacture of that paper on a commercial scale?

Mr. Bhargava.—It is rather early to say. We are first trying to get the right quality and colour. As soon as we achieve that, we will go into the question of cost.

President.—You have suggested the removal of the import duty on mechanical pulp and that question has also been raised by the Paper Makers' Association. We raised the point with them that if we reduced or removed the duty on mechanical or any other kind of pulp, there was a danger that it might be used by the existing mills in substitution of indigenous pulp and so would do more harm than good. On further consideration the Paper Makers' Association withdrew their suggestion. That point didn't occur to them. They felt that there was a good deal in it and it would not be safe to admit pulp at present free of duty.

Mr. Bhargava.—My view is this: the main object of removing the duty on mechanical pulp is to encourage the production of cheaper newsprint and other varieties of paper. The production of newsprint alone would require a certain amount of chemical pulp which would obviously be bamboo pulp.

President.—Not necessarily. It might be imported pulp.

Mr. Bhargava.—If there is a protective duty on chemical pulp it would be dearer than bamboo pulp and it would not pay to use imported chemical pulp. The quantity of chemical pulp required for the production of newsprints and other cheaper papers will certainly be much more than the reduction in the quantity of bamboo pulp or grass pulp, which would come about as a result of the substitution of mechanical pulp for the production of writing and printing papers. It is only to a very small extent that mechanical pulp can be used by the existing mills for the production of these papers. If they use a larger proportion, the quality of papers will deteriorate. The quantity of chemical pulp required for the production of newsprint and other cheaper papers would thus be much more than any possible reduction in the quantity of bamboo or grass pulp required for the production of writing and printing papers. On the whole the consumption of bamboo or grass pulp is likely to be more than what it is now.

President.—At the start there is not likely to be more than one mill manufacturing newsprint and even if they use 30 per cent. of chemical pulp, that would not equal the quantity of mechanical pulp that may be used by 10 or dozen mills. I say there is a danger. I don't say necessarily they would use mechanical pulp. That was the final view of the Association.

Mr. Bhargava.—The quantity of newsprint and other cheaper papers which can be produced in this country is very large and requires large quantities of chemical pulp.

President.—I am thinking of the immediate present and not the remote future. There is not likely to be more than one mill at present and they would not use very much chemical pulp.

Mr. Bhargava.—Even one mill might produce 10,000 or 20,000 tons of newsprint. It would pay to put up a mill on a very large scale in order to be able to compete with the imported cheaper papers.

President.—That is rather problematic. In the meantime if we remove the duty on mechanical pulp, before even mills are put up, the existing mills might be mixing mechanical pulp.

Mr. Bhargava.—Perhaps that could be avoided in another way: the duty on mechanical pulp need not be removed, but it could be refunded to any mill, which is put up for the production of newsprint and other similar cheap papers and boards. In that way there would be no possibility of mechanical pulp being used to the detriment of indigenous chemical pulp.

Mr. Rahimtoola.—If it is found that the mill is using it entirely for the newsprint class of paper, then they might get a refund of this duty?

Mr. Bhargava.—Yes.

President.—Or it might be allowed to import under licence duty free?

Mr. Bhargava.—Quite.

President.—Or under some guarantee?

Mr. Bhargava.—Yes.

President.—You suggest some form of subsidy. That was suggested long ago in regard to bamboo and was turned down by the Government of India. I don't think there is any probability of any such proposal of subsidy likely to be acceptable. You speak about the production of cellulose for various purposes such as artificial silk, cellulose nitrate for explosives, lacquers, varnishes and dopes for aeroplanes, plastic products, etc. Has any experimental work been done so far by you on these lines?

Mr. Bhargava.—We have not done any work in this direction except some laboratory work for the purification of bamboo pulp for artificial silk.

President.—With what results?

Mr. Bhargava.—The results obtained were very promising. I obtained pulp in the laboratory having a good many characteristics required for artificial silk. The work was suspended as the Industrial Research Bureau started conducting investigations into the feasibility of manufacturing artificial silk in the country. Until their report was out it was thought advisable to hold the work in abeyance.

President.—When was the investigation suspended?

Mr. Bhargava.—About two years back.

President.—Nothing is being done now.

Mr. Bhargava.—No.

President.—When we come to the general question of equipment of the Research Institute, we might go into the question of equipment for cellulose. We shall take it at that time. There is one question I didn't ask you when we were asking you what post you held. Have you visited mills in Europe recently?

Mr. Bhargava.—I visited a number of mills in Europe and America in 1921 and again in 1927. Since then I have not been abroad.

President.—Would it not be rather an advantage if some officer were deputed periodically to go round?

Mr. Trotter.—It would be very advantageous.

President.—To see the most up-to-date mills.

Mr. Bhargava.—I think it would be very instructive indeed.

President.—I take it you are hardly in touch with the latest developments.

Mr. Bhargava.—Except through magazines and journals.

President.—With reference to the note you have put in last time to the Board, we rather wanted a note on similar lines this time, but you proceeded on somewhat different lines. I shall indicate now what information we would like. We shall take first of all bamboo. Last time you put in a statement showing the bamboos available in sufficient quantities and estimated

the surveyed areas and some of the unsurveyed areas. Can you put in a similar up-to-date statement?

Mr. Bhargava.—I have made out a statement for bamboos and other raw products. As regards Bengal and Bombay the figures are old because no new surveys have been carried out. We wrote to all the provinces and some have given us revised figures. They are all estimates, not based on any actual surveys.

President.—Are none of them based on actual surveys?

Mr. Bhargava.—No.

President.—I believe Hyderabad State have made a survey fairly recently, haven't they?

Mr. Bhargava.—I think that was included in the last Report. That was based on the survey which was carried out before.

President.—Might we consider that this is the latest information.

Mr. Bhargava.—That is all we have got so far.

President.—Are you expecting further information from the Provinces?

Mr. Bhargava.—We have written to the provinces and we are expecting to get further information about bamboos and grasses. We have so far received figures from the Central Provinces, Bihar, Orissa and Madras.

Mr. Trotter.—You will notice from the proceedings of the Forest Utilisation Conference, which I have already handed in, that we asked the provinces, who are interested, to let us have the figures. Some of these recent ones have come in as a result of the Conference last year.

President.—I notice the recent estimates are very much lower. In Bihar it has gone down to 121,000 acres and 9,000 tons.

Mr. Bhargava.—Bihar and Orissa were formerly, I think, put together. Now they are put separately. Bihar and Orissa together have about 80,000 tons.

President.—Even then the total estimate is considerably lower than it was in 1921, taking Bihar and Orissa together.

Mr. Bhargava.—It was about 100,000 tons before and now it is about 80,000 tons for Bihar and Orissa. It may be, we have got revised figures only for one Forest division in Bihar. Only last year we got these figures. They have not probably sent us figures for other divisions.

President.—If you look at the figures, taking Bihar and Orissa together, there is a very big decrease, about a lakh of acres or more, in fact, roughly 2 lakhs of acres.

Mr. Trotter.—The recent estimates are in tons.

President.—Could you give us the figures in acres as well?

Mr. Bhargava.—We have got the figures for some divisions here.

President.—That is the original estimate?

Mr. Bhargava.—No. That is the more recent one.

President.—I thought the first column was the original estimate.

Mr. Bhargava.—No. The original ones are in the second column.

President.—We have written to local Governments to give us estimates. Possibly we may get some more figures from them soon, or they may send us the figures when they are sending them to you.

Mr. Bhargava.—We are also expecting to get some more figures, Bihar, for example wrote to us that they would probably supply information for other Divisions later on.

President.—You have not given the total.

Mr. Bhargava.—I did not give the total because the list was not complete. The total of the previous estimates and the recent estimates comes to about 500,000 tons.

President.—In the previous estimates given by the Tariff Board of 1931, Burma was included.

Mr. Bhargava.—In this list I have excluded Burma.

President.—We shall try and get as much up-to-date information as possible. If you get any later figures, will you send them on to us, say, up till the end of March?

Mr. Bhargava.—Yes.

President.—In regard to the different kinds of bamboo, is there any change since 1931?

Mr. Bhargava.—We have tried a few more species since then, mostly from Bengal—5 different species extracted from the Chittagong Hill Tracts—and they were all found to be quite suitable—just as good as the previous ones we tried.

President.—Can you give us an up-to-date list of bamboos which are considered suitable?

Mr. Bhargava.—Yes.

President.—Two of the Calcutta mills are using increasing quantities of bamboo drawn from their immediate neighbourhood within say about 20 miles. They are grown more or less casually by the ordinary landowners. Have you any information about that class or species of bamboo?

Mr. Bhargava.—We have no information about that.

President.—It is an inferior class of bamboo, we are informed, and it does not give a good yield in pulp making.

Mr. Bhargava.—It is all grown in District Board areas, and the Forest Department have no information about it.

President.—Have they sent to you any for tests?

Mr. Bhargava.—They have not sent any to us for tests. They are mixed species. Tests on such mixtures would not be very fair.

President.—We asked two mills, who had recently taken to drawing their supplies from near-by, about the danger of such bamboos being cut out. There is no systematic regeneration in those areas. What would you say about that?

Mr. Trotter.—It is most probable that they will be cut out, judging from what has happened in similar circumstances in other parts of India.

President.—That is a real danger.

Mr. Trotter.—Yes, in so far as small zemindari and village supplies are concerned.

President.—Have you any more recent information about the seeding of bamboos?

Mr. Bhargava.—We have only received intimation from one or two provinces, which reported on the seeding of one or two species.

President.—On the last occasion you said you were making research into the seeding cycle.

Mr. Bhargava.—We wrote to the various provinces asking for information on this point and they have noted it down. From time to time, whenever there is any seeding in any part of the forest, they inform us.

President.—Have you come to any further conclusions on that point?

Mr. Bhargava.—Not so far. We have not got sufficient data. As a matter of fact the seeding of bamboos is not a serious danger. If one species flowers or seeds, ordinarily there are other species available in the locality, since different species do not flower simultaneously. We found in Bombay (Kanara), that the seeding starts high up in a valley and takes about 6 or 7 years at least to spread to the lower end. By that time, the fresh crop gets established in the higher regions when flowering first started. I think there is hardly a gap of three or four years, and this can be filled up by other species. The same species is ready for exploitation again after an interval of about 12 or 13 years.

President.—After bamboo has seeded in an area, when would that area again be giving a supply?

Mr. Bhargava.—The fresh crop will be available for exploitation after an interval of 12 or 13 years. It takes about 6 or 7 years for the flowering to extend from one end of the forest to the other and there is hardly a gap of about three or four years. If there is another species available, then there is no danger of shortage of supply due to bamboo flowering.

Mr. Trotter.—In addition, flowered bamboos remain standing for a number of years and can still be utilised. We have done some work on flowered bamboos, three and four years old, and they actually gave us a better yield than fresh bamboos.

Mr. Bhargava.—Yes. They gave a better percentage of cellulose. Probably some chemical change takes place which increases the percentage of cellulose. Other ingredients are diminished and the percentage of cellulose is increased. It is very curious that bamboo stems, so long as they are in the clumps and do not fall down, are not attacked by borers.

Mr. Trotter.—To sum up. The alleged danger of a sudden failure of supplies from seeding is possibly not so serious as we used to think some years ago.

President.—That is an interesting pronouncement. In the working of bamboo areas by the Forest Department, what is the usual system? What is the rotation?

Mr. Bhargava.—For *Dendrocalamus strictus*—about 4 to 5 years. About *Melocanna bambusoides* we have no information. We have made enquiries. The Utilisation Officer of Madras was of the opinion that 3 years' rotation would be sufficient for *Dendrocalamus strictus*. For the same species in the Punjab a rotation of about 5 years was perhaps recommended.

Mr. Trotter.—As regards Burma, they started with 3 years and now they are inclined to increase it, I believe.

Mr. Bhargava.—Experiments on this subject are still in progress.

President.—We will now pass on to grass. We had some discussion with the representatives of the local Government upon this question of grass in the United Provinces where the new mill being put up at Saharanpur and two other mills compete. It seemed to Government that there was a danger of *sabai* grass being inadequate.

Mr. Bhargava.—The quantities of *sabai* grass available in the Western Circle are not sufficient for two mills. That was, I think, obvious from the very beginning.

President.—The Lucknow mills, I gather, get their supplies from the Eastern Circle.

Mr. Bhargava.—Most of their supplies come from the Eastern Circle and from Nepal.

President.—Do you think that there is a serious danger of shortage?

Mr. Bhargava.—Of *sabai* grass for the mills in the United Provinces?

President.—Yes, for these 3 mills?

Mr. Bhargava.—Of course, the quantities of *sabai* grass existing at present do not appear to be sufficient. I understand that the Lucknow mills are contemplating an expansion and if they do expand, they will require larger quantities of *sabai* grass in the future. I think for 2 mills probably the quantity available would be just sufficient. But if it is supplemented by another material—*ulla* grass—from the Pilibhit Division, there is not likely to be any serious shortage.

President.—In regard to *ulla* grass, has it really been thoroughly tested out yet?

Mr. Bhargava.—We tested it out on a semi-commercial scale, and from one consignment we got very good results. But another consignment gave us rather poor results. So we are still pursuing the question. We got

small samples from various districts and grown under different conditions. They did not show very much difference. We have arranged to carry out a test on a large scale in the Lucknow Paper Mills. We think that this would be more satisfactory. Our results from the first consignment were very good. We got 41 per cent. yield. The yield from another consignment was about 35 per cent. only.

President.—The standard yield of *sabai* grass is how much?

Mr. Bhargava.—We get a higher yield than the paper mills give. We get about 38 to 39 per cent. I think the standard yield taken in previous Tariff Board reports is 35 per cent. for *sabai* grass.

President.—The yield of *ulla* grass is not likely to be much below 35 per cent.

Mr. Bhargava.—I cannot say with certainty because one consignment gave us a very high yield and another not so good. The average would be just about the same as that of *sabai* grass.

President.—What other kinds of grasses have you tested or are you thinking of testing?

Mr. Bhargava.—We have tested *munj* grass.

President.—With what result?

Mr. Bhargava.—That is also quite satisfactory. *Kans* is rather inferior. Those are the two grasses from the United Provinces. We are also testing another, *botha* grass, from Madras.

President.—Where exactly does that come from?

Mr. Bhargava.—I am not quite sure of its exact habitat. We are also testing two grasses from Sind and we have recently tested another one from Benares. They could not give us the botanical name. The vernacular name is *karar*.

President.—To return to the question of *sabai* grass, the Tariff Board in 1931 gave an estimate of the total quantity available. Is there any reason to revise that estimate?

Mr. Bhargava.—No. We have not yet received any revised figures. We have written to the United Provinces and Bihar, but we have not got the figures yet.

President.—Are you getting any information from Bihar?

Mr. Bhargava.—We have asked for it.

President.—The Calcutta mills are getting grass from Bihar. One of them has got a long lease or an arrangement. In what other areas is *sabai* grass available? Is it available in Orissa?

Mr. Bhargava.—Small quantities are available in Orissa. In the Punjab there are certain areas, including some States, where it is available.

President.—Can those areas supply the Jagadhri mill?

Mr. Bhargava.—No. Supplies from the Punjab are not sufficient to meet the demand of the Jagadhri mill. They are taking measures to grow plantations in Hoshiarpur.

Mr. Trotter.—Supplies obtained from the Punjab are in the neighbourhood of 200,000 maunds, I believe.

President.—In what other parts of India does *sabai* grass grow?

Mr. Bhargava.—There is a small quantity in the Central Provinces.

President.—Any in Bengal?

Mr. Bhargava.—I do not think there is any in Bengal. The United Provinces, Bihar and Nepal are the principal areas; in Orissa also there is a certain amount.

President.—If you could give us any further information about supplies of *sabai* grass it will be useful.

Mr. Bhargava.—We shall try and get the information from the provinces and supply it to you.

Mr. Rahimtoola.—Why is *sabai* grass not grown in other parts of India?

Mr. Bhargava.—Partly due to soil and partly to climatic conditions.

President.—Last time the Tariff Board came to the conclusion that the supply of grass was limited and they could not base their protection on *sabai* grass in 1925.

Mr. Bhargava.—The Bihar Forest Department and the United Provinces Forest Department are carrying out experiments in this direction; they have grown plantations and their report are very promising. If you like, we can give you extracts from their reports.

Mr. Rahimtoola.—It will be useful.

President.—We have as a matter of fact heard from the United Provinces Government that they were contemplating experiments on the planting of *sabai* grass in some areas. With regard to wood, we have already dealt with it except in regard to the question of *Eucalyptus* which was mentioned in 1931. Has any work been done on *Eucalyptus* since then?

Mr. Bhargava.—No. We only got our grinder recently: we tried *Eucalyptus* for chemical pulp but found that the fibre was very short, and that it would not be able to compete with bamboo or grass for chemical pulp. We have not yet tried it for mechanical pulp.

President.—Are you going to try it?

Mr. Bhargava.—Yes.

President.—In 1931, another material you mentioned was flax.

Mr. Bhargava.—We got very good results from flax fibre, but it was very difficult to remove the woody cores. The United Provinces Industries Department sent us a small lot which was not quite clean. We wrote to them again, asking them to make some arrangements to remove the woody cores before sending the flax to us, and we reminded them several times but got no reply. So we dropped the investigation as we thought they were not very keen about it. Flax seems to me to be a very good fibre for high class paper. It has got very good length and gives a very clean sheet of paper, provided the material is cleaned properly. It is purely a mechanical question and a simple question too.

President.—In regard to the question of world pulp supplies, you gave us some information on the last occasion. Are you in a position to supply any information now as to the danger of supplies in America being cut out?

Mr. Bhargava.—We have not got any particular information just at present but it does not appear that there is any great risk of the supplies being cut out, because even the United States are taking to plantation of quick growing species, and in Canada, Norway, and Sweden they are taking steps to conserve the forests by not cutting more than they can grow every year. So, unless the demand for paper or cellulose grows very much more, there is no very great risk of shortage in the near future. The recent rise in price is probably an indication that the demand is outstripping the supply of cellulose: it may be for purposes other than for paper.

President.—In the Southern part of North America southern pine is coming into use a good deal, is it not?

Mr. Bhargava.—They are using it not for very high class papers, but for cheap papers such as packing paper, boards and so on.

President.—Perhaps it would be better if you could refer us to some recent publications on the subject of the review of the world situation. We have written to England for information, but we are trying to get information from all possible sources. If you have got any it would be useful. Of course, as a result of the rise in price which has occurred in some classes of pulp, the price of pulp has almost doubled. Since then it has fallen again, but still it is very much higher than it was. At one time it was as low as £8-10.

Mr. Rahimtoola.—Last time we got certain statistics about the availability of supply of wood. Can you give us some similar statement?

Mr. Bhargava.—I shall try to find out if there are any more recent figures about the availability of pulp wood in various countries.

President.—Have you any information at all about hand-made paper?

Mr. Bhargava.—Yes. I have seen hand-made paper made in two or three different centres. The last time I was in Bombay, the Director of Industries was very keen on developing this industry. In the United Provinces, from two or three centres, we have received enquiries asking us to suggest means for improving the present crude methods. My opinion is that it is uneconomical to make ordinary writing or printing paper by hand because it is impossible for this class of paper to compete with mill-made paper. But I think this industry can be developed for certain special kinds of papers, for example, drawing papers or card-boards for visiting cards, filter papers, and things like that which fetch a much higher price in the market. A packet of visiting cards costs about 12 annas and weighs about 2 ozs. If these are made by hand on a small scale then the extra cost of production due to inefficiency will be covered by the higher price which it will fetch.

President.—Can it compete with the imported article?

Mr. Bhargava.—My suggestion is to put the industry on proper lines. What I have suggested to the Director of Industries, United Provinces, is that bleached pulp may be made in one centre or arrangements may be made for the production of this pulp in one mill, and that it may then be supplied to various centres in the villages, and the villagers may be trained to make boards, etc., by hand, from the pulp.

President.—We were shown some samples of hand-made paper in Lucknow, which we understood were made entirely from old paper cuttings.

Mr. Bhargava.—Usually they use at present only paper cuttings and waste paper. Even paper for account books which formerly used to be made from rags and hemp, is now made from waste paper, and the idea exists that it is very strong paper. In one place I actually saw mill-made paper being glazed by hand and sold as hand-made paper.

President.—Is there some preference for hand-made paper?

Mr. Bhargava.—I don't think so, except perhaps for account books. Some Congress people are very keen on using hand-made paper for writing purposes.

President.—Have you any idea of the quantity made?

Mr. Bhargava.—No. The Village Industries Association at Wardha wrote to us to suggest raw materials for making paper. They said they were trying various grasses and other materials. We wrote to them that it was no use wasting time in trying to use all sorts of materials and that production of pulp on a small scale by each village would be very unremunerative. I think personally that the best plan is to make pulp in one centre on a fairly large scale for supply to a dozen or more centres, and to train villagers to make special kinds of papers and boards. That has a better chance of success.

President.—In the last enquiry the Tariff Board had to deal with the actual costs of mills—the actual costs of one mill in particular which had experience of bamboo. The position is very different now and there are obvious objections to taking figures of a particular mill. They do not want to disclose the details of costs but the mills are all agreed that the total cost may be published, and the Board was thinking of perhaps working out figures of what may be called a representative mill and seeing what the costs should be, based on modern practice in India, and comparing them with actual figures from mills. We could then try and arrive at what should be the cost of production in India. What would you say should be the size of an economic unit in India to-day?

Mr. Bhargava.—There must be at least one machine, and that machine must be as efficient as possible, producing at least 15 to 16 tons per day. But there is this disadvantage with one machine that it will have to make a large variety of papers.

President.—That point was made; that in other countries where mills specialise one machine might do, but in India an economic unit would probably require two machines.

Mr. Bhargava.—That would mean about 12 tons per machine or about 24 tons, which would be more than 7,000 tons per annum. But that would mean a much higher capital investment and also more working capital. If there is one machine there would be the advantage of less initial investment though the production of papers of different qualities would mean some loss. It may be profitable to put two machines in some cases.

President.—Have you any figures that will help us to arrive at what will be the cost of production in a representative mill of this sort?

Mr. Bhargava.—I could give you such an estimate.

President.—The existing Indian mills rather suggest that a 6,000 tons capacity mill should be about the representative unit.

Mr. Bhargava.—That would be about 20 tons per day. Of course it will also depend on the quality of paper made. If the better qualities of paper are made then two machines will be required for a 6,000 ton output, but if cheaper varieties are manufactured then one machine may be sufficient.

President.—We were rather thinking in terms of the existing mills. These mills are mainly making white printings and creamlaid. Those are the two principal items.

Mr. Bhargava.—I doubt if it is possible to make a sort of standard estimate of the cost of production, as it depends on so many factors in different mills. Efficiency in a mill will depend not only on the machinery but on the way in which the machinery is manipulated and operated.

President.—That point does not arise. We will presume that a mill works with reasonable efficiency. As a matter of fact there is no secret about the costs of existing mills; they are going to be published in our Report in due course. As a result of the last six years' working, the mills have, speaking generally, got down to more or less comparable figures. For instance, the cost of production of pulp is somewhere between Rs. 112 to Rs. 127 per ton for four mills. Those are comparable figures. Again, taking the costs of production of paper, they range now from say about Rs. 320 to about Rs. 360 per ton. I am taking the more efficient mills at present. So they are reasonably close now-a-days. The estimates of the new mills are also rather interesting. One mill has given Rs. 374; another Rs. 381 and another Rs. 368 per ton. These are also rather close figures. We seem therefore to be getting to the position in India when we can arrive at some standard. Those figures for new mills are not very different from the figures of the existing mills. When you are starting a new mill, you estimate a bit high. Allowing for that, the figures are comparable, but you might think it over and see if you can work something out.

Mr. Bhargava.—I will try to make a sort of rough estimate.

President.—What output would you take?

Mr. Bhargava.—6,000 tons output.

President.—You need not necessarily. You can take 4,500 tons if you like. That would be a fully equipped mill, presumably with a recovery plant.

Mr. Bhargava.—And the estimate should be based on bamboo of course?

President.—Based on bamboo as the standard material.

Mr. Bhargava.—At about Rs. 16 a ton.

President.—Yes. That is perhaps a little on the low side.

Mr. Trotter.—Prices vary from about Rs. 12 to Rs. 20.

President.—Yes, Rs. 16 will be all right. That will not be far out.

Mr. Bhargava.—The price of coal may be taken at what?

Mr. Rahimtoola.—Rs. 6-4 per ton.

Mr. Bhargava.—That will be for the Calcutta mills.

President.—The position in regard to the new mills is that their bamboo costs less, but their coal bill will be high.

Mr. Bhargava.—Yes. Rs. 20 to Rs. 21 a ton.

Mr. Rahimtoola.—Freight is very high. I should like to have a standard estimate for grass also taking a 50-50 basis.

Mr. Bhargava.—50 per cent. grass and 50 per cent. bamboo?

Mr. Rahimtoola.—Yes.

Mr. Bhargava.—Grass might be taken at Rs. 1-4 a maund?

President.—The Lucknow mills gave Rs. 1-8.

Mr. Bhargava.—Some time back they paid Rs. 1-4. They have not got any lease. They depend on contractors.

President.—I think the Calcutta mills are getting it cheaper than that. The Lucknow mills are paying a very high price for grass from Nepal. So that is not a real guide. From such information as we have got it appears that the cost of producing a ton of grass pulp is definitely higher than the cost of producing a ton of bamboo pulp.

Mr. Bhargava.—That will depend upon the comparative prices of grass and bamboo.

President.—I know, but we are taking the actual figures—the price at which the mills can get grass and the price at which they can get bamboo and the difference in the cost of production is not more than a few rupees. It might run up to Rs. 20 a ton.

Mr. Bhargava.—It would not be more than that.

President.—But the mills definitely stated that bamboo is a cheaper material.

Mr. Bhargava.—Grass at about Rs. 24 a ton and bamboo at Rs. 18 will more or less balance as regards pulp costs.

President.—We will now pass on to the question of your Institute, what you are doing and so on. What are the main lines of investigation in the last six years?

Mr. Trotter.—I have here a copy of the triennial programme for the last three years. I did not realise that you would want our programme for the past 6 years or I would have brought it.

President.—The Tariff Board usually has to deal with the situation since the last Tariff Board Report.

Mr. Bhargava.—Our annual reports of the last six years will give you full information on every bit of work that we have done.

President.—Could you give us copies of your Annual Reports?

Mr. Bhargava.—Yes.

President.—We should like to know the main line of work on which you have been engaged during the last six years.

Mr. Bhargava.—We are testing different species of bamboos and grasses and trying to improve the process of digestion.

President.—Have you done much work on that?

Mr. Bhargava.—Not very recently.

President.—I take it you are leaving that to the mills now?

Mr. Bhargava.—We had a conference in Calcutta and some problems were suggested by the paper mills for us to work on. One problem was the comparison between Indian China clays and English China clays. These are the reports (handed in) which we sent to the paper mills on this subject. Another problem was about the crushing and chipping of bamboos and their comparative behaviour in digestion. We were sent chips from three mills, the Bengal Paper Mills, the India Paper Pulp Company and the Titaghur Paper Mills, and we carried out a whole series of experiments by the sulphate and sulphite processes. These are the results. (Handed in.) The chips were thoroughly crushed in the case of the Bengal Paper Mills but

the Indian Paper Pulp Company's chips were not crushed and therefore they gave comparatively poor results.

President.—They are putting in a crusher. They are not satisfied with chipping at all.

Mr. Bhargava.—We experimented with the sulphite process also and carried out all the necessary tests. We found the optimum conditions, the best strength of the liquor and so on. Another problem was the discolouration of pulp. All the mills said that bleached pulp went back in colour when kept or stored. We are still working on that problem.

President.—We raised that question with the mills. At present the production of bamboo pulp has not really been equal to the requirements of the mills. They had therefore to use imported pulp, because they could not make enough pulp themselves, but ultimately they hope that the production of pulp will be equal to the demand, and instead of keeping a reserve of imported pulp, as they do at present, they will possibly keep a reserve of Indian pulp. Then the question arises: in what form it should be kept and how it will keep and so on. Have you investigated that problem?

Mr. Bhargava.—As I have just mentioned, we are investigating the probable causes of discolouration of Indian made pulp. The progress in all these investigations has been slow, because we do not have enough staff to tackle all these problems quickly and at the same time.

President.—It was suggested that pulp in some wet form might keep for three or four months without deterioration. What would you say about that?

Mr. Bhargava.—I can't say. It might get mouldy as it does generally. It may keep in colour if kept wet, but it is likely to get mouldy unless some measures are taken to prevent that.

President.—The first suggestion made was that the pulp might be manufactured in the form in which it is imported and kept in that form.

Mr. Bhargava.—In the form of dry sheets?

President.—Yes.

Mr. Bhargava.—That is the problem we are working on. Pulp in dry sheets gets slightly yellowish in colour when stored.

President.—Is that an inherent defect in bamboo?

Mr. Bhargava.—I think the fault lies in the process of digestion and bleaching—mostly in bleaching. What is perhaps required is controlled bleaching of the pulp, because unbleached pulp keeps for quite a long time without any deterioration. It is the bleached pulp which goes back in colour.

President.—The idea is to store unbleached pulp and not bleached pulp.

Mr. Bhargava.—I should think there would be no difficulty in storing unbleached pulp for a few months.

President.—I see *Lantana* mentioned as a possible paper making material.

Mr. Bhargava.—We tried that for chemical pulp. We had then no arrangement to treat it for mechanical pulp. We found the material very poor. The fibre was very short.

President.—This is the triennial programme beginning in 1933 and ending next year.

Mr. Trotter.—Yes.

President.—Did you say you had a similar triennial programme for 1933-36?

Mr. Bhargava.—Yes.

President.—Could you let us have it?

Mr. Bhargava.—Yes. We could also supply you with copies of our Annual Reports.

President.—The triennial programme would give us a general picture of the whole thing.

Mr. Bhargava.—Yes. But in addition to that we have been carrying out investigations for the paper mills which are not included in the programme.

Mr. Trotter.—The triennial programme has to be rather elastic, because we are always having fresh questions referred to us for immediate enquiry and investigation, and very often there is a tremendous amount of work going on which is not even mentioned in the triennial programme.

President.—You have given us some idea as to what you are working on—mainly mechanical pulp, kraft, and boards from bagasse.

Mr. Bhargava.—Yes, these are the three main things at the moments.

Mr. Rahimtoola.—Not all boards, only insulation boards?

Mr. Bhargava.—We propose to make press boards also for panelling and so on. They have various uses. We have a separate detailed programme for the investigations on bagasse. We want to try it for packing paper, straw-boards, cardboards and so on.

President.—Is it your opinion that the Institute is adequately equipped and staffed for the work it is expected to do?

Mr. Trotter.—I am very glad this question has been raised. I have been of the opinion for some time now that research work on our pulp and paper problems has not been advancing as quickly as it should. This is not altogether the fault of the Paper Pulp Section of the Forest Research Institute. It is due chiefly to lack of funds and lack of staff. If you would glance at the Triennial programme of the Paper Pulp Section (copy handed in) you will see that there is a very large amount of work to be done. You have also been over the experimental paper mill and laboratories of the Paper Pulp Section, and you do, I think, realise that there is far too much work going on for the small staff of 2 research officers which we have. There are several distinct main lines of research which have at this moment to be investigated. The most important are those referring to (1) mechanical pulp from wood, and possibly bamboos, (2) kraft, and (3) artificial silk and cellulose—and to numerous other problems connected with the pulping of bamboos and grasses. It will be readily realised that the 2 research officers which we have at present cannot possibly cope efficiently with all this work. In addition to the question of staff, we are seriously handicapped by lack of funds to purchase some very necessary pieces of apparatus for the efficient continuation of our work. I have outlined on this sheet (handed in) an approximate estimate of our immediate requirements in this respect, amounting in all to about Rs. 27,000. (This figure was later revised to Rs. 40,000, including buildings.) I have also outlined on this other sheet (handed in) an approximate estimate of what we consider necessary in the way of staff and other recurring expenditure, to cope adequately with the pulp and paper problems under investigation. This recurring expenditure amounts to about Rs. 14,000 per annum. In order to emphasise the inadequacy of our present staff and expenditure on pulp and paper research, in relation to the size and importance of the Paper Industry in India—I have drawn up a statement showing the capital invested in the Pulp and Paper Industry in India. My figures are only approximate and are probably very conservative, and I have no doubt the Board will have at their disposal a more accurate estimate. Nevertheless, my figures show that something in the neighbourhood of 4½ crores of rupee are invested in the Pulp and Paper Industry in India. In this other statement (handed in) I show the annual expenditure incurred on the Paper Pulp Section of the Forest Research Institute. It amounts only to a total annual expenditure of approximately Rs. 28,000 and the amount has not varied since 1931; in fact the expenditure last year was actually less than it was in 1931-32. The expenditure on research is therefore only a minute fraction of the capital invested in this important industry, and is, I think you will agree, inadequate for research on the pulp and paper problems in an important country like India. I would therefore ask the Board to

consider very seriously the present position as regards research in relation to the importance of the pulp and paper industry at the present moment in India—and I would further ask them to consider recommending to the Government of India some means whereby more adequate funds (i) for our immediate requirements of equipment and (ii) for the provision of more staff and recurring expenditure in the future, can be provided. Such funds might be raised in several ways. Two (which have already been mentioned informally) are:—a small cess to be paid by paper mills on their output of paper, or a small contribution from the protective duty realised by Government on certain classes of pulp and paper. A small cess of a few annas per ton of paper manufactured by paper mills would not be felt by the mills. In the same way, Government receives something in the neighbourhood of Rs. 21 lakhs from the protective duty on wood pulp and writing and printing papers. A small contribution from this amount, for research work would not be felt. However, the ways and means recommended can be safely left in the hands of the Board. All I wish to emphasise is the fact that our research work at the present time is totally inadequate for the best interests of the Paper Industry in India.

President.—I notice you have not said anything about buildings. Have you space?

Mr. Trotter.—It does not affect us directly as the P. W. D. does all our building. Of course, it affects the Government of India.

President.—Would this additional equipment and staff necessitate additional buildings?

Mr. Bhargava.—Yes. Even at the present moment accommodation is not sufficient. We have 2 or 3 apprentices from various paper mills always working here.

President.—We should like you to give us an estimate for buildings. What do you think would be the cost of the additional buildings? The Tariff Board includes the cost of buildings in its proposals. It all falls on the Government of India. It does not matter whether it is the Public Works Department that has to do it or not. It would be helpful if you could give us some idea as to what additional accommodation is required and what would be its cost.

Mr. Trotter.—Yes. I can do that.

Mr. Rahimtoola.—I want to know whether this Rs. 27,000 you are asking for is in connection with capital expenditure.

Mr. Trotter.—Yes.

Mr. Rahimtoola.—And the Rs. 14,000 is recurring?

Mr. Trotter.—Yes.

President.—As regards buildings, it would be extra to the Rs. 30,000?

Mr. Trotter.—Yes. The cost of the extra buildings required is estimated at about Rs. 8,000 to Rs. 10,000.

Mr. Rahimtoola.—This Rs. 14,000 recurring is over and above what you are getting now?

Mr. Bhargava.—Yes.

Mr. Rahimtoola.—At present you are getting how much?

Mr. Bhargava.—Rs. 28,000 a year.

Mr. Rahimtoola.—What are you getting from the paper industry at the present moment?

Mr. Trotter.—We are getting about Rs. 4,000 a year.

Mr. Rahimtoola.—Is it a lump sum?

Mr. Bhargava.—Yes, a lump sum from the Paper Makers Association—Rs. 3,500: The Lucknow Paper Mills give Rs. 250 and the Mysore Paper Mills recently gave us Rs. 500.

Mr. Rahimtoola.—Since how many years have you been getting this?

Mr. Trotter.—Since last year.

President.—Are they likely to continue this?

Mr. Trotter.—It is entirely voluntary, but they did say that they would continue.

Mr. Rahimtoola.—What use have you made of this money?

Mr. Bhargava.—We had to get a good deal of extra apparatus and chemicals for the apprentices sent for training by various paper mills.

Mr. Trotter.—We have also recently appointed an extra assistant on this money, entirely for the Paper Makers Association Work.

Mr. Rahimtoola.—Would you regard the standard yields given in the Tariff Board report of 1931 as correct under present conditions?

Mr. Bhargava.—As regards standard yields, we find that the yields in paper mills are lower than what we get here. It is quite understandable, because in the laboratory we can control the whole process whereas on a large scale that would not be possible.

Mr. Rahimtoola.—What percentage of allowance would you make between the laboratory tests and mills? These are all laboratory tests. For Titaghur you have given 40.

Mr. Bhargava.—These results were obtained on the particular chips we got from the mills.

Mr. Rahimtoola.—Are these the results of tests on the chips which are at present used by them?

Mr. Bhargava.—These refer to chips from the Kankinara mill. They are now getting better chips from their new equipment, from the new crusher, at Titaghur. We have not yet tested those chips. We only got them a few days back.

Mr. Rahimtoola.—Would it be possible for you to send us your reports on them?

Mr. Bhargava.—By the end of March?

Mr. Rahimtoola.—By the middle of March.

Mr. Bhargava.—We can do some laboratory tests. But as regards standard yields you will have to take the figures given by the mills.

President.—We have discussed the matter with the mills. They find very great difficulty about standard yields. They say that they take the raw material and the paper and see how much they have lost.

Mr. Bhargava.—The loss will depend on how it is controlled at various stages.

President.—They find great difficulty in giving figures for different stages. Losses may occur in so many stages.

Mr. Bhargava.—Quite.

President.—Losses occur in chipping, digestion, bleaching and so on. They say that the difficulty is that they cannot weigh their pulp and say what their real loss is at different stages.

Mr. Bhargava.—That was the difficulty I mentioned when you suggested my framing the estimate of the cost of production of a representative mill.

Mr. Trotter.—The moisture content of the bamboo is another difficulty.

President.—For all purposes they think it better to take the air-dry basis and assume that the paper manufactured contains 10 per cent. moisture. Do you think that that is a fair way of dealing with the matter?

Mr. Bhargava.—There should be some standard method. If you take 10 per cent. for raw materials, everything must be computed on that basis.

President.—We could take the same figure for paper also and assume that it has 10 per cent. moisture.

Mr. Trotter.—For purposes of strength, in the case of wood we actually take 12½ per cent. as the standard air-dry moisture content.

President.—The moisture content of bamboo varies of course enormously?

Mr. Trotter.—Yes.

9. Government of India, Department of Commerce, New Delhi.

Letter No. 104-S(1)/38, dated the 11th January, 1938, from the Govt. of India, Department of Commerce, New Delhi.

I am directed to enclose for the information of the Tariff Board two statements showing the progress, if any, made by the paper mills in India in regard to the use of bamboo pulp in the manufacture of paper and also in the matter of Indianization and training of Indians in the art of making paper and other allied technical industries. This information, which was collected by the Government of India in pursuance of an assurance given by Sir George Rainy, the then Member in charge of this Department, in the course of the debate in the Legislative Assembly on the Bamboo Paper Industry (Protection) Bill on the 24th February, 1932, might be of use to the Board in connection with the enquiry entrusted to it in this Department Resolution No. 202-T(1)/36, dated 11th December, 1937.



Statement showing the use of bamboo pulp and progress of Indianization in the Paper Mills in India.

Serial No.	Name of Mill.	Progress, if any, made in use of bamboo pulp in manufacture of paper.	No. of Indians in receipt of salaries over Rs. 200 per mensem.		No. of apprentices under training.		REMARKS.
			On 1st Septem-ber 1931.	On 1st Septem-ber 1933.	On 1st Septem-ber 1931.	On 1st Septem-ber 1933.	
<i>United Provinces.</i>							
1	The Upper India Couper Mills Company, Limited, Lucknow.	Are using Sabai grass and not bamboo pulp. Bamboo occurs at places much further away from the mill than does Sabai grass and its use is not likely to be as profitable as Sabai grass because of freight charges. The possibility of using bamboo from the Central Provinces as a supplementary raw material is, however, being investigated.	6	6	Nil	Nil	The Mill is completely Indianized.
<i>Bombay.</i>							
2	Reay Paper Mills, Mundwa, Poona.	Are not using bamboo pulp as it is not manufactured in the Presidency and is not available at economic prices.	1	1	Nil	1	The two paper mills belong to the Deccan Paper Mills Company, Limited, and are wholly Indian and are managed, engineered and administered by Indian agency.
3	D. Pudumjee Paper Mills, Bombay.						

4	Girgaum Paper Mills, Bombay.	Do.	Nil	Nil	Nil	Nil
5	<i>Madras.</i> Andhra Paper Mills, Rajahmundry.	Were using bamboo pulp to certain extent.	1	..	1	.. The mill is not now working.
6	<i>Transcore State.</i> Punalur Paper Mills, Limited.	The chief raw materials used in the Mill are bamboo and reed.	Nil	1	Nil	Nil
7	<i>Bengal.</i> The Titaghur Paper Mills Company, Limited.	Are using bamboo pulp and are making necessary arrange- ments to increase the manufac- ture of this pulp.	4	5	10	10
8	Bengal Paper Mill Company, Limited.	@Do.	*Nil	Nil	23	* Find difficulty in obtaining properly trained men.
9	The India Paper Pulp Company, Limited.	@Do.	1 (Anglo- Indian.)	3 (1 Anglo- Indian.)	2	10 @ Specially designed bamboo pulp plant has been indentated for by the mill.

Statement showing the use of bamboo pulp and progress of Indianization in the Paper Mills in India.

Serial No.	Name of Mill.	Progress, if any, made in use of bamboo pulp in the manufacture of paper.	Total No. of officers in receipt of a salary of Rs. 200.	No. of Indians in receipt of salaries over Rs. 200 per mensem.		No. of apprentices under training.		REMARKS.
				On 1st September 1933.	On 1st September 1935.	On 1st September 1933.	On 1st September 1935.	
1	<i>United Provinces.</i> The Upper India, Conper Mills Company, Limited, Lucknow.	Are using Sabai grass Ullah grass and Flax Waste, and not bamboo pulp. For the present they have given up the idea of using bamboe products. They will reconsider the matter after they have given a fair trial to the use of Ullah Grass and Flax Waste besides Sabai Grass. If they find Bamboo quite as cheap in comparison to other raw products, they would take it up.	7	6	7	They have trained Indians in every branch of the Industry and are utilizing their services.	The Mill is completely Indianized.	
<i>Bombay.</i>								
2	Gujrat Paper Mills, Limited, Ahmedabad.	Are not using bamboo pulp as it is not produced in the Presidency nor is it available to the mills concerned at economic prices.	1	1	1	Nil	Nil	
3	The Reay Paper Mills, Mundhwa, Poona.		2	1	1	1	5	
4	D. Padumjee Paper Mills, Bombay.		Nil	Nil	Nil	Nil	Nil	
5	Girgaum Paper Mills, Bombay							

		The mill is closed at present but it is expected to resume working sometime this year.					
<i>Madras.</i>		....	..	3	4*	7	4
6	Andhara Paper Mills, Rajahmundry.					(2 vacant)	
<i>Bengal.</i>							
7	The India Paper Pulp Company, Limited.	Are using bamboo pulp in increasing quantities and have installed special plant for the purpose.	..	5	13	10@	6
8	The Titaghur Paper Mills Company, Limited (2 Mills).	Ditto	..	5	13	10@	6
<i>Tamil Nadu.</i>							
9	The Bengal Paper Mill Company, Limited.	Ditto	..	Nil*	Nil	22	36
<i>Tamil Nadu.</i>							
10	The Panalru Paper Mill Company, Limited.	The raw materials used for the manufacture of paper in this mill are only reeds.	..	1	1	Nil	2

* One is a probationer now on Rs. 150 per mensem, but if satisfactory, will get Rs. 200 and over.

@ 4 since taken in service of the Company.

* As soon as the apprentices complete their apprenticeship they will receive a commencing salary of Rs. 200 per mensem. One of apprentices comes under this arrangement from April 1936.

10. Director General of Commercial Intelligence and Statistics, Calcutta.

(1) *Letter No. 30, dated the 6th January, 1938, from the Tariff Board to the Director General of Commercial Intelligence and Statistics, Calcutta.*

I am directed to state that in their Resolution No. 202-T(1)/36, dated the 11th December, 1937, the Government of India, Department of Commerce, have asked the Tariff Board to enquire into the desirability of continuing measures for the protection of the Bamboo Paper and Paper Pulp industries after 31st March, 1939, when the present protective duties expire.

2. In this connection the Board are interested in the question of production of wood pulp in different countries and would be grateful if information could be furnished on the following points:--

- (1) the present position in the principal pulp producing countries and the trend of prices and the amount of production:
- (2) the extent to which supplies of pulp are being exhausted by over-cutting of coniferous woods suitable for pulp manufacture.

The Board would like to be furnished with any publications bearing on them. They would also be glad to have information as to the current prices of different classes of paper in the United Kingdom, and would particularly welcome any information that you may have in your possession regarding the industry in Japan.

3. The Board would be grateful for a reply as early as possible addressed to the Secretary, Tariff Board, No. 1, Council House Street, Calcutta.

(2) *Letter No. 371, dated the 5th April, 1938, from the Tariff Board to the Director General of Commercial Intelligence and Statistics, Calcutta.*

I am directed to say that the Tariff Board would be obliged if you could kindly furnish it with the Tariff Schedules relating to paper of some of the typical foreign countries.

(3) *Letter No. 5753/C. I. A., dated the 27th April, 1938, from the Director General of Commercial Intelligence and Statistics, Calcutta.*

I have the honour to forward under separate cover the undernoted publications and to request that these may be returned when done with. A statement showing the quantity, value and average value per ton of the pulp produced in Canada from 1917-36 is attached herewith. In addition, I would refer you to the "World Wood Pulp Statistics, 2nd Edition, 1926-36" a copy of which, I understand, has been supplied to you by the High Commissioner for India with his letter No. T. 18.31.1, dated the 2nd March, 1938.

(1) The Economic Aspects of the Forests and Forest Industries of Canada.

(2) Report by the U. S. Tariff Commission on the Wood Pulp and Pulp Wood Industries in the United States.

As far as the supply of coniferous pulp wood is concerned, it is understood that the Northern European countries are not cutting more than their forests are producing, but that with the exception of Russia, increases in the production of wood pulp are limited to the amount of wood which can be diverted from other uses. In the United States the development of the pulp and paper industry in the Southern States has opened up a new source of supply and in the North-Western States and Alaska there are

supplies of timber which will allow for a considerable expansion of the industry, so there is no immediate danger of a shortage of raw material in that country.

In Canada there is estimated to be available the equivalent of 800 million cords of the principal species used for the manufacture of wood pulp; the spruces, true firs and hemlocks, about 300 million cords of jack and lodgepole pines and poplars, which are used to a limited extent for pulp. These pulp wood species are used also for lumber and other products but, allowing for these, about 450 million cords of the principal pulp wood species are considered available for pulp manufacture.

The total cut of pulp wood in the peak year of 1936, was only about 7 million cords and on the whole the natural reproduction and growth are such that this amount can be grown annually. The greatest dangers in the Canadian situation, as far as the forest resources are concerned, are the losses due to fire, insects and disease, and the increasing cost of exploitation due to the extension of the operations into areas more remote from the centres of manufacture. The fire losses have been greatly reduced in recent years and steps are being taken to control the more serious insect infestations. The increasing use of other species of woods for pulp will extend the possible pulp wood resources.

While it is felt by the provinces that any pronounced expansion of the pulp and paper industry in Canada is unwise until further progress is made in the protection and management of the forests, there is no present need for the curtailment of production.

With regard to Newfoundland it is reported that the trend of prices and the amount of production do not affect that country to any great extent, as the production of pulp is very small. As most of it is consumed by the country's own paper producing units, it is believed that the general position of the pulp markets will not be affected to any great extent by the production in Newfoundland at the present time or in the immediate future.

As regards the extent to which supplies of pulp are being exhausted by over-cutting of coniferous woods suitable for pulp manufacture, it is not thought here that there is any over-cutting by the producing companies.

Newfoundland at the present time is interested principally in the production of newsprint paper, the two operating companies being the International Power and Paper Company (of Newfoundland) Limited, and the Anglo-Newfoundland Development Company. Their total production for the past three years has been as follows:—

	Tons.
1934-35	276,036
1935-36	312,897
1936-37	298,404

A certain amount of pulp wood has been exported from the Island since 1934-35 but the total quantity would not be sufficient to make the slightest difference to world production.

Production of Wood Pulp in Canada.

Calendar Year.	Mechanical Pulp.			Chemical Pulp.		
	Quantity Tons (2000 lbs.)	Value \$	Av. Value Per Ton.	Quantity Tons (2000 lbs.)	Value \$	Av. Value Per Ton.
1917	923,731	25,918,811	..	540,423	38,374,191	..
1918	879,510	19,112,727	..	677,683	45,243,446	..
1919	990,902	23,316,828	..	725,187	50,003,450	..
1920	1,090,114	49,890,337	..	848,528	90,053,999	..
1921	931,560	32,313,848	..	612,467	45,929,513	..
<i>Average</i>	<i>963,163</i>	<i>30,110,510</i>	<i>31.26</i>	<i>630,858</i>	<i>53,920,920</i>	<i>79.19</i>
1922	1,241,185	31,079,429	..	897,533	53,615,692	..
1923	1,419,547	37,587,379	..	1,012,092	60,674,518	..
1924	1,427,782	36,165,901	..	986,242	53,333,823	..
1925	1,621,917	39,130,117	..	1,084,992	59,969,673	..
1926	1,901,268	44,800,257	..	1,251,178	69,220,427	..
<i>Average</i>	<i>1,522,340</i>	<i>37,752,617</i>	<i>24.50</i>	<i>1,046,407</i>	<i>59,362,827</i>	<i>56.73</i>

1927	.	.	.	.	.	1,922,124	44,174,811	..	1,278,572	69,169,002	..
1928	.	.	.	.	.	2,127,699	47,549,324	..	1,392,755	72,500,188	..
1929	.	.	.	.	.	2,420,774	51,617,360	..	1,501,273	76,198,051	..
1930	.	.	.	.	.	2,283,130	48,317,494	..	1,265,037	63,156,351	..
1931	.	.	.	.	.	2,016,480	37,096,768	..	1,086,735	46,998,988	..
<i>Average</i>		.	.	.	.	2,154,041	45,751,750	21.24	1,304,878	65,604,516	50.28
1932	.	.	.	.	.	1,696,021	28,018,451	..	913,438	35,987,294	..
1933	.	.	.	.	.	1,859,049	25,332,444	..	1,120,513	38,781,630	..
1934	.	.	.	.	.	2,394,765	30,875,323	..	1,241,570	44,851,635	..
1935	.	.	.	.	.	2,563,711	32,323,820	..	1,304,630	47,398,219	..
1936	.	.	.	.	.	2,984,282	38,674,492	..	1,501,163	53,662,461	..
<i>Average</i>		.	.	.	.	2,299,566	31,044,906	13.50	1,216,263	44,136,248	36.29

- (4) *Letter No. 6427-C. I. C., dated the 28th April, 1938, from the Director General of Commercial Intelligence and Statistics, Calcutta.*

With reference to your letter No. 371, dated the 5th April, 1938, I enclose for your information extracts* from the latest available Customs Tariff of certain foreign countries showing the items under which paper is likely to be assessed on import into those countries.

You will of course appreciate that although all care has been taken to furnish the correct details no responsibility can be accepted by this Office in respect of information given in regard to enquiries relating to Customs duties in foreign countries.

11. High Commissioner for India, London.

- (1) *Extracts from letter No. 24, dated the 6th January, 1938, from the Tariff Board to the High Commissioner for India, London.*

I am directed to state that in their Resolution No. 202-T(1)/36, dated the 11th December, 1937 (copy enclosed), the Government of India, Department of Commerce, have asked the Tariff Board to enquire into the desirability of continuing measures for the protection of the Bamboo Paper and Paper Pulp Industries after 31st March, 1939, when the present protective duties expire.

2. In regard to Paper and Paper Pulp Industries the Board are interested in the question of production of wood pulp in different countries and would be grateful if information could be furnished on the following points:—

- (1) the present position in the principal pulp producing countries and the trend of prices and the amount of production;
- (2) the extent to which supplies of pulp are being exhausted by over-cutting of coniferous wood suitable for pulp manufacture.

The Board would like to be furnished with any publications bearing on them. They would also be glad to have information as to the current prices of different classes of paper in the United Kingdom.

3. The Board would be grateful for a reply as early as possible, addressed to the Secretary to the Board at No. 1, Council House Street, Calcutta.

- (2) *Letter No. T. 18-31-1, dated the 2nd March, 1938, from the High Commissioner for India, Trade Department, London.*

Subject:—PAPER AND PAPER PULP INDUSTRY.

I am directed to refer to your letter No. 24, dated the 6th January, 1938, regarding the subject mentioned above and to send the following data for the information of the Tariff Board:—

- (1) Extracts from the Canadian Year Book, 1937:—
 - (a) The Pulp and Paper Industry.
 - (b) Forest Depletion and Increment.
 - (c) Pulp Production, Mechanical and Chemical Calendar Years 1926-35.
 - (d) Exports of Wood Pulp from principal Wood Pulp Producing Countries of the World, 1913, 1934-35.
 - (e) Estimated Quantities of Newsprint Produced in Leading Countries, 1934 and 1935.
 - (f) Exports of Newsprint Paper from the principal paper-producing countries of the World, 1913, 1933, 1934 and 1935.

* (2) World Wood Pulp Statistics, 1926-36.

* (3) The Paper-Maker and the British Paper Trade Journal (Annual Number).

At page 34 will be found an article dealing with the United Kingdom Paper Trade Statistics, and at page 40 a short note about the world supply of wood pulp.

* (4) The January Number of the Paper-Maker.

The article at page 44 and the statistics at pages 52-56 will be of interest.

A statement of paper prices *ex-mill* of certain types of paper during February, 1938, is also enclosed. As you are aware there are many types and grades of paper and if the Board are anxious to obtain the prices of any particular types you will no doubt let this office know.

I am to add that the Trade Commissioner at Hamburg has been asked to send a report on paper pulp production on the Continent and as soon as his report is received a further reference will be made to you.

Extract from the Canada Year Book, 1937.

"Sub-section 2.—THE PULP AND PAPER INDUSTRY.

The manufacture of pulp and paper is a comparatively recent development in Canadian industry. Paper was first manufactured in Canada about a hundred years ago, but prior to 1860 no wood pulp was used or produced. Rags, straw, esparto grass, cotton waste, and other substances were the raw materials used. The first paper mill was established at St. Andrews in Quebec (then Lower Canada) in 1803 by United States citizens who obtained concessions from the seigneurs. Upper Canada's first mill, which is still in operation, was built in 1813 at Crook's Hollow (now Greensville) near Hamilton, and the Maritime Provinces entered the industry in 1819 with a mill at Bedford Basin near Halifax.

* * * * *

The gross output of the industry increased rapidly and steadily until the boom years following the Great War, when it jumped to a peak of over \$232,000,000 in 1920. This was followed by a drop in 1921, following which there was a steady recovery resulting in a second peak in 1929 of \$243,970,761. This was followed by annual decreases down to 1933 and increases in 1934 and 1935.

The rapid development of this industry up to 1929 was due chiefly to the existence in Canada of abundant water powers adjacent to extensive forest resources of pulp wood species and an increasing demand for newsprint paper in the United States. Summary statistics for the combined pulp and paper industry are given on pp. 307-8.

There are to-day three classes of mills in the industry. These, in 1935, numbered 28 mills making pulp only, 43 combined pulp and paper mills and 24 mills making paper only.

The industry in Canada includes three forms of industrial activity, the operations in the woods with pulp wood as a product the manufacture of pulp and the manufacture of paper. These three stages cannot be treated as entirely distinct nor can they be separated from the different stages of the lumber industry. Some of the important pulp companies operate to the best advantage, and many lumber manufacturers divert a proportion of their spruce and balsam logs to pulp mills. So far as operations in the woods are concerned, it is often impossible to state whether the timber being cut will eventually be made into lumber or into pulp wood."

*Extract from the Canada Year Book 1937.**"Sub-section 6.—FOREST DEPLETION AND INCREMENT.*

Fire Losses.—No accurate summing up of forest fire losses in Canada's forests has ever been made, but it has been estimated that 60 per cent. of the original forest has been burned, 13 per cent. has been cut for use and 27 per cent. remains. Though the loss of merchantable timber has been greatly reduced in recent years by forest protective services and the education of the public, it still constitutes a serious drain on our resources."

* * * * *

"Losses through Insects and Fungi.—From 1912 to 1923 the spruce bud-worm caused tremendous damage to the spruce and balsam-fir forests in Eastern Canada. In Quebec it was estimated that 100 million cords of pulp wood were destroyed by this insect, and in New Brunswick the loss was placed at 15 million cords. In these regions the active state of the infestation is now practically over, but the insect is causing damage in northern Ontario and Cape Breton, Island. Other insects, though not as destructive as this one, entail a heavy drain on the forest. The hemlock looper and a new species closely related to the spruce bud-worm are causing considerable damage in eastern coniferous forests.

* * * * *

Summary of Losses and Increment.—The annual consumption of standing timber for use amounts to about 2,300,000,000 cubic feet. During the latest ten years fire has destroyed annually about 268,000,000 cubic feet of merchantable timber and the young growth of various ages on 848,379 acres. The destruction occasioned by insects, fungi and windfall is not known, but is estimated at 700,000,000 cubic feet per annum. It may be safely estimated that the forests of Canada are being depleted at the rate of upwards of about four billion cubic feet per annum. With about 600,000 square miles of accessible timber in a growing condition an average annual increment of 10 to 11 cubic feet per acre would be quite possible under forest management and would cover this depletion. In view of the destruction of young growth which occurs and the deterioration of the forests and the soil, caused by repeated fires, there is little hope that this increment is being produced at the present time throughout Canada, although particular areas are producing greatly in excess of this quantity. Nevertheless extensive reproduction and rate-of-growth surveys being conducted by the Dominion Forest Service indicate that the increment is greater than previously estimated."

4. Paper Production, Mechanical and Chemical, Calendar Years 1926-35.

Year.	Total Production.*		Mechanical Pulp.		Chemical Fibre.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Tons.	\$	Tons.	\$	Tons.	\$
1926	3,229,791	115,154,199	1,901,268	44,800,257	1,251,178	69,220,427
1927	3,278,978	114,442,550	1,922,124	44,174,811	1,278,572	69,169,002
1928	3,608,045	121,184,214	2,127,699	47,549,324	1,392,755	72,500,188
1929	4,021,229	129,033,154	2,420,774	51,617,360	1,501,273	76,198,051
1930	3,619,345	112,555,872	2,283,130	48,317,494	1,265,057	63,156,351
1931	3,167,960	84,780,809	2,016,489	37,096,768	1,151,480	46,998,988
1932	2,663,248	64,412,453	1,696,021	28,018,451	967,227	35,987,294
1933	2,979,562	64,114,074	1,859,049	25,332,444	1,120,513	38,731,630
1934	3,636,335	75,726,958	2,394,765	30,875,323	1,241,570	44,851,635
1935	3,868,341	79,722,039	2,563,695	32,323,820	1,283,743	46,444,144

NOTE.—Figures for the years 1908-25, inclusive, will be found at page 293 of the 1931 Year Book.

* Some of these totals include unspecified pulp.

Exports of Wood Pulp from Principal Wood Pulp Producing Countries of the World, Calendar Years 1913, 1934 and 1935.

Country.	Years Ended December 1934.			Proportions, 1935.	
	1913 Total Wood Pulp.	1934 Total Wood Pulp.	1935 Total Wood Pulp.	Chemical.	Mechanical.
	tons.	tons.	tons.	tons.	tons.
Sweden	1,112,313	2,566,670	2,676,608	2,037,769	638,839
Finland	132,674	1,552,597	1,783,824	1,203,664	580,160
Norway	779,025	1,049,372	837,295	318,813	518,482
Canada	298,169	605,641	662,474	532,107	130,367
Germany	206,042	342,796	327,661	325,202	2,459
United States	19,776	142,931	171,710	168,543	3,167
Austria	112,714	145,513	170,629	154,638	15,991
Czechoslovakia	23,935	111,044	100,811	100,760	51
Poland	Nil	4,455	3,988	3,988	Nil
Switzerland	7,328	3,643	2,916	2,378	538
Newfoundland	57,167	Nil	Nil	Nil	Nil
Totals	2,749,141	6,524,662	6,737,916	4,847,862	1,890,054

Estimated Quantities of Newspaper produced in Leading Countries, 1934 and 1935, and the Five-Year Averages, 1931-35.

Country.	Production.		Five-Year Average.	Country.	Production		Five-Year Average.
	1934.	1935.			1934.	1935.	
	tons.	tons.	tons.		tons.	tons.	tons.
Canada	2,599,000	2,753,000	2,300,800	Belgium	51,000	48,000	44,400
United States	957,000	912,000	996,200	Austria	50,000	50,000	53,000
Great Britain	940,000	970,000	849,800	Spain	42,000	42,000	44,600
Germany	446,000	464,000	462,400	Switzerland	39,000	45,000	44,600
France	353,000	358,000	312,800	Czechoslovakia	37,000	41,000	39,600
Japan	344,000	368,000	309,200	Poland	32,000	34,000	27,800
Newfoundland	316,000	336,000	298,000	Mexico	20,000	20,000	16,800
Finland	316,000	329,000	285,000	Denmark	8,000	1,000	6,600
Sweden	272,000	298,000	271,600	Estonia	6,000	4,000	7,800
Russia	190,000	193,000	148,600	Chili	6,000	6,000	2,400
Norway	155,000	182,000	161,600	Latvia	5,000	6,000	4,800
Netherlands	92,000	92,000	87,000	TOTALS	7,342,000	7,928,000	6,857,800
Italy	68,000	76,000	71,800				

Note.—Countries by order of importance according to the 1935 production.

Exports of Newsprint Paper from Principal Paper-Producing Countries of the World, 1913, 1933, 1934, and 1935.

Rank in 1935.	Country.	Years ended December 1931.			
		1913.	1933.	1934.	1935.
		tons.	tons.	tons.	tons.
1	Canada	256,661	1,838,105	2,414,274	2,574,987
2	Finland	77,213	248,748	286,993	309,066
3	Newfoundland	49,755	217,114	258,902	276,036
4	Sweden	667,938	201,475	209,990	228,422
5	Norway	108,507	151,793	141,708	164,196
6	Germany	75,761	110,988	72,510	129,107
7	United Kingdom	105,153	88,882	66,406	78,935
8	Austria	14,865	44,945	45,125	44,708
9	Japan	3,270	41,214	38,370	40,932
10	United States	43,301	11,148	23,427	22,523
11	Netherlands . . . . .	..	14,866	13,240	11,002
12	Czechoslovakia . . . . .	..	6,592	5,190	3,752
13	Switzerland	12	127	67	12
	TOTALS	802,426	2,975,997	3,376,202	3,883,678

NOTE.—Countries arranged in order of importance of exports, 1935.

PAPER PIECES EX-MILL.

February 1938.

Unglazed Pure Kraft	{	Ton makings at £26-10 per ton.
	{	3½ cwt. at £29-10 per ton.
M. G. Pure White Poster	{	Ton makings at 3½d. per lb. Nett.
	{	3½ cwt. at 4d. per lb. Nett.
Pure M. F. for S. C. Printings	{	Ton makings at 3½d. per lb. Nett.
	{	3½ cwt. at 3½d. per lb. Nett.
M. G. Pressings, Tinted	{	Ton makings at 2½d. per lb. Nett.
	{	3½ cwt. at 3d. per lb. Nett.
M. G. Pure Manilla		Ton makings at £27-10 per ton.
Unglazed Manilla		Ton makings at £28-0.
Sulphite Envelope Manilla		Ton makings at £27-10.

(3) Letter No. T. 18-31-1, dated the 19th April, 1938, from the High Commissioner for India, Trade Department, London.

Subject.—PAPER AND PAPER PULP INDUSTRIES.

In continuation of this Office letter T. 18-31-1, dated 2nd March on the above subject, I am now directed to forward, for the information of the Tariff Board, further information on this subject relating to certain countries in Europe which has been obtained through the Indian Government Trade Commissioner, Hamburg.

THE WOOD AND PAPER PULP INDUSTRIES IN SCANDINAVIA.

It would almost seem that in compensation for their remote northerly situation Finland, Norway and Sweden have, through their extensive forest areas, been blessed by nature with gifts which have supplied them with a unique beauty of their own and at the same time provided them with valuable economic resources. Apart from their timber resources, the Northern countries possess many natural advantages for the industrial working of forest products, such as excellent floating and transport facilities, plentiful water-power supplies from the numerous rapids, relatively favourable shipping facilities and harbours open even during the winter season, thanks to the assistance of ice-breakers. Forestry and the various branches of the wood working industries provide an illustration of one of the most outstanding features of the economic life of the Northern Countries, and developments seem to show that the possibilities of further progress are still far from being exhausted. The history of the timber trade in general in the Northern Countries reveals a development from West to East and shows how the woodworking industries, influenced by various external and internal circumstances, have developed into their characteristic position in the respective countries. For the main part Norway, with the smallest forest resources, has already passed the sawmill stage and now concentrates her main interests on the higher phases of the woodworking industries. Finland at the other end of the scale has the centre of gravity of her woodworking industries balanced on the production of sawn goods and semi-manufactures. The Swedish industry lies between these two stages of development, still with a considerable manufacture and export of sawn goods, although even these are more worked than the Finnish products.

Denmark has also developed a woodworking industry of her own, which, however, owing to the meagre forest resources is largely dependent on imported raw material. The main portion of the output is consumed in the country, and exports are chiefly confined to special lines manufactured from Danish beech.

Forestry.

From a botanical and geographical point of view Finland, Norway and Sweden belong to the northern coniferous zone, which is to say that pine and spruce find their natural conditions of growth in those regions. The total forest area of Finland, Norway and Sweden amounts to about 53 million hectares, of which 45 million hectares consist of coniferous forests corresponding to 25 per cent. of the total coniferous forest area of Europe. If Russia's enormous forest resources, not utilised for the main part owing to unfavourable transport facilities, are omitted, the Northern Countries possess no less than 56.2 per cent. of the total coniferous forest resources of Europe.

According to recent calculations, the total forest area of Sweden amounts to about 23 million hectares, or 56.5 per cent. of the total land area. This is equivalent to an average forest area of 3.8 hectares per inhabitant. Forest products in the form of sawn goods, pulp and paper occupy a prominent position in Sweden's exports, and during recent years have amounted to 40-50 per cent. of the total value of the exports from that country.

Finland, for her size, has the largest forest resources of any European country. Her forests extend over an area equal to the forest area of Sweden, *i.e.*, about 23 million hectares, corresponding to no less than 67.2 per cent. of the total land area. This corresponds to about 6.4 hectares of forest per inhabitant. Owing to the relative scarcity of other natural resources Finland, more than any other country, is dependent on her forests, which is clearly apparent from the country's exports. During the last few years as much as 80-90 per cent. of the total exports have been composed of more or less worked forest products.

The forests of Norway cover some 7 million hectares, or 23.5 per cent. of the total land area. In comparison with Sweden and Finland the percentage of forest in Norway is consequently comparatively low. This is explained by the Alpine character of the country, where almost 75 per cent. of the land area consists of barren fell regions. Put in relation to the population the Norwegian forest area gives a figure of 2.5 hectares per inhabitant.

The division of different species of tree in the Northern forests will be seen from the following table* :—

	Sweden.		Finland.		Norway.	
	Mill. m3	per cent.	Mill. m3	per cent.	Mill. m3	per cent.
Pine	573	40.4	661	48.2	90	27.9
Spruce	596	42.1	405	29.5	171	52.9
Other species	248	17.5	305	22.3	62	19.2
Total	1,417	100.0	1,317	100.0	323	100.0

The annual growth, which in continuous forest exploitation should approximately replace the annual cutting, is in Sweden 47.7 million solid m3. Of this amount 79.7 per cent. is coniferous and the remainder foliferous wood. On the average, Finnish forest land is more barren than Swedish so that the growth is lower, *i.e.*, 44.4 million m3 of which 72 per cent. is coniferous. The total growth of the Norwegian forests is in round figures 10 million m3 of which 83 per cent. is coniferous wood.

The average growth per hectare of forest land is 1.99 m3 in Sweden, 1.91 m3 in Finland and 1.35 m3 in Norway. It should be noted that these figures by no means indicate the maximum production capacity of the forests. The yield of the forests is however increasing, thanks to rational forestry measures, above all felling methods aimed at growth promotion, and improvements to forest land in the form of ditching.

* All figures in this table as well as in the following text mean solid m3, exclusive of bark.

The forest area of Denmark covers only some 0.35 million hectares, *i.e.*, about 8 per cent. of the whole country; it is, however, increasing, thanks to rational forestry methods. Moreover, it is worthy of note that Denmark, by the planting of timber on moors and other desolate wastes, has doubled its coniferous forest area during the last century. The total annual growth of 2 million m³ almost equally divided between coniferous and foliferous forests, indeed represents a notable result, taking the small forest area into consideration, a result made possible by good climatic conditions and highly developed forest culture. The output of coniferous forest timber is insufficient, however, to satisfy more than a fraction of the country's requirements.

The exploitation of the forests in the Northern Countries is on the whole kept within the bounds of the annual growth. During certain periods it may happen that local overcutting occurs, but this is counter-balanced by the increasingly strict maintenance of sound forest exploitation principles. According to the last available figures the annual felling in Sweden was approximately 41 million solid m³ including wastage and loss by floating; in Finland 39 million m³, and in Norway about 10 million m³. If from the combined total annual growth of the three countries, *i.e.*, 102 million m³, we subtract the total amount exploited, *i.e.*, 90 million m³, we obtain a surplus of 12 million m³. Of this amount, however, a considerable part represents forests growth which owing to transport difficulties and economic conditions could not be utilised up till now.

Owing to the manifold sorting and working methods it is impossible to make an exact estimate of the value of the worked-up timber. On the other hand, however, the tremendous value of the annual yield from the Northern forests can be seen from a few illustrative examples. The total yield for Finland, Norway and Sweden amounts to approximately 100 million m³, or in dry weight, 50 million tons. This amount of timber, if converted into sawn goods, would correspond to 10-12 million stds. and would considerably exceed Europe's entire annual requirements of sawn coniferous timber. If on the other hand the forest growth of the Northern Countries should be converted into chemical wood pulp—cellulose—this growth would yield 20 million metric tons, *i.e.*, the whole world's present requirements of cellulose for more than two years. Although we are to regard this as mere speculation it shows the significance of the annual growth of the North European forests.

In the Northern Countries the need of wood for household purposes is great, principally in the form of fuel and building wood. In Finland household consumption forms the main item in the timber balance, with about 15 million m³, or $\frac{1}{3}$ rd of the annual forest growth. The corresponding figures for Sweden, with double the population, are estimated at about 11 million solid m³. The consumption of wood for household purposes in Norway is supposed to amount to only some 3 million m³.

While the need for wood fuel is on the decrease in all countries owing to the introduction of various substitutes and to the strides made in technical development, the demand for wood for the saw-mill industry and as raw material for the cellulose and paper industry has risen rapidly. Coniferous wood is the principal raw material for these purposes. When one considers that $\frac{2}{3}$ th of the world's total wood consumption consists of coniferous wood, and that only $\frac{1}{3}$ of the world's forests are coniferous, and that about half of these forests are so situated that they cannot be economically utilised, one realises that the coniferous forest supplies are of tremendous importance to world economy. President Coolidge's supposition that "the struggle for timber" will within the comparatively near future become the most important phenomenon in economic life, similar to earlier struggles for coal and iron resources, appears to have considerable foundation on fact.

Sweden and Finland, together with the U. S. S. R. are the leading producers of sawn goods in Europe and it is calculated that the saw-mills

in the two former countries consume about 12 million m³ of wood each annually. The corresponding figure for Norway is at times somewhat more than 2 million m³. The paper industry in Sweden utilises about 12 million m³ annually; in Finland the consumption of paper and pulp wood amounts at present to about 7 million m³, while the annual amount of wood consumed by the Norwegian paper industry totals about 4 million m³. In this connection it may be mentioned that the Finnish paper and cellulose industry is passing through a period of powerful expansion, and that in the near future its wood requirements will equal the corresponding figures for Sweden. Finland is the only country exporting unworked wood-goods in any quantities worth mentioning, i.e., about 3 million m³ annually, of which more than half consists of pit props and poles, the remainder being chiefly pulp wood.

Among other forms of wood utilisation should be mentioned that of charcoal-burning in Sweden, amounting to about 2 million m³, and the consumption of wood for fuel by the Finnish State Railways to the amount of about 1 million m³.

Owing to the great importance of forestry in the national economy of Finland, Norway and Sweden the distribution of forests among different classes of owner is also a factor of especial interest. The development of ownership conditions in the three countries has on the whole been influenced by similar historical and geographical factors. The holdings of the State are concentrated chiefly in the remote forests of the north and the barren forests tracts of the watersheds, while the privately owned forests, mainly those belonging to farmers, have lain since ancient times around the estates in the more fertile and more densely populated areas. The forests owned by the woodworking industries, on the other hand, which were acquired at a later date—partly by the purchase of private landowners' estates and partly, particularly in Sweden, by the purchase of State-owned forests—are generally situated outside the populated areas proper.

In Sweden and Finland the State forests date back to the year 1542, when King Gustav Vasa decreed that all waste land, including large forest tracts, was the property of the Crown. In this way the State forest holdings, particularly in sparsely populated Finland, became very extensive. The forests belonging to the Finnish State, embracing 39·8 per cent. of the country's total forest area, are principally situated in northern and eastern Finland. 51 per cent. of the forest areas are under private ownership, while the companies have acquired only 7·5 per cent. of the forest territory. Of this latter figure about one-third is owned by concerns in which the State has a majority share. The rights of companies to land-ownership are restricted by law and will hardly increase to any degree worth mentioning. The remaining 1·7 per cent. belongs to communities and parishes.

Development in Sweden has been along somewhat other lines. With the introduction of new liberal ideas on the subject of national economy at the beginning of the 19th century, considerable areas of the Crown forests were sold or turned over to the companies, principally iron works, which required large supplies of wood for their mining activities. It was not until the great rise in timber prices on the international market in the middle of the last century that the State realised the enormous value represented by the forests, and consequently began to take care of its forest resources and even to repurchase on a growing scale. At present the State owns 18·7 per cent. of the forest area of Sweden, 27·1 per cent. are in the hands of companies, while the greater portion, i.e., 49·1 per cent. is privately owned. Communities and parishes own 5·1 per cent. of the country's forests.

In Norway the State owns 10 per cent. of the forest area. These State-owned forest areas are situated mainly in the north and consist principally of very meagre mountain forests. The forest areas owned by communities embrace about 10·3 per cent., i.e., a somewhat similar area

to that owned by the State. The major portion, however, no less than 70·7 per cent. is privately owned, principally by the agricultural population, and is practically all divided into small forest plots. The companies, mainly those engaged in woodworking, must, as is the case in Finland, content themselves with a relatively small portion, i.e., 9 per cent.

The Woodworking Industry.

From the earliest times the products of the Northern forests have been known on the European export market, first shipped as baulks, masts and tar for the requirements of the shipbuilding industry of that period. Especially the production of tar by distillation of wood dominated the early stages of the woodworking industries of the Northern Countries. During the 17th and 18th century the tar was thus the chief export article manufactured from wood, considerably exceeding exports of, for instance, sawn timber. Owing to an increasing demand for wood for shipbuilding purposes and later on as a raw material for the pulp and paper industries the production of tar by and by lost its importance from the Northern Countries' woodworking industries. During the last decades exports expanded all along the line and found their way into ever widening circles, so that the products of the Northern forests are known—and well-known—in practically every importing country in the world.

In medieval times exports of forest products were restricted to round timber and tar. The best customers were the Hanseatic cities and the Netherlands, which required large quantities of these products for their shipping.

The introduction of water-driven saw mills, about the year 1420 in Germany, and their general adoption in the Northern Countries during the 16th century, ushered in a new epoch in the history of the woodworking industries of these countries. Norway in particular, whose waterfalls all over the country presented admirable sites for such enterprises and where shipping facilities were favourable throughout the year, soon developed a sawmill industry of, for that period, imposing size. Owing to a general fear of over-exploitation the sawmill industry in Sweden and Finland, on the other hand, was considerably hampered by legislation. During the first half of the 17th century Sweden together with Finland exported only 1,000-1,500 stds. of sawn goods annually to the neighbouring Western Europe, while exports from Norway amounted to 50,000 stds. Even at the beginning of the 19th century the combined annual exports from Sweden and Finland were no more than 30,000 stds., against Norway's 250,000 stds.

The 19th century brought with it a series of changes in economic life which also put the sawmill industry of Sweden and Finland in an advantageous position. The penetration of liberal ideas in the course of that century loosened little by little the legal restrictions binding the various trades, and thus in the middle of the century the sawmills were allowed to use steam power. When, therefore, the import duties on timber in the leading importing countries, England and France, were reduced at more or less the same period, to be finally abandoned altogether, there came a big boom in wood-goods, of which the sawmill industry of Sweden and Finland were ready to take advantage.

The universal adoption of steam power had an outstanding influence on the development of the sawmill industry. As a supply of sawmill waste had solved the power problem irrespective of geographical situation, the new sawmills were first founded, with an eye to suitable shipping facilities and cheap sources of raw material, at the mouths of the larger floatable waterways. In this way a thriving sawmill industry soon developed around the Gulf of Bothnia and at the river mouths on the shores of the Gulf of Finland. Norway was soon left behind in exports of sawn goods by her eastern neighbours, who possessed greater forest wealth. Her exports of sawn and planed coniferous timber, which have been on the decline during the last decades, amount at present to hardly more than 40,000 stds.

This drop is mainly due to the fact that the flourishing woodpulp industry demands a large portion of the available raw material.

The period of prosperity referred to above was soon followed by a critical depression, with a heavy slump in prices on the Western European market, and during the following decade the sawmill industry had to fight against adverse conditions, which hampered its development. During the 'eighties and particularly in the first half of the 'ninties the world market situation eased and a new era with new possibilities for the sawmills began. The discovery of the process for producing sulphato cellulose made possible the economic utilisation of sawmill waste on a hitherto undreamt of scale, while simultaneously the manufacture of battens, laths, staves and box-boards made possible the rational utilisation of small timber. Since the Great War the sawmill industry in the Northern Countries has shown little development from the point of view of quantity.

On the other hand, thanks to technical improvements, great strides have been made as regards the utilisation of timber. The proportion of planed timber has risen to a noteworthy degree, and the production of box-boards and other smaller sawmill products has increased in relation to the total of sawn products.

Her great birch resources have presented Finland with an opportunity for an imposing development of two industries, utilising this type of wood—the plywood and spool industries.

About 30 per cent. of all plywood and more than 50 per cent. of all birch plywood on the international market originate from Finland, and the Finnish plywood industry is experiencing a period of powerful expansion. Pine plywood is manufactured also in Sweden and Norway. Finland has always occupied the foremost position in the manufacture of hobbins and at the present time produces about 80 per cent. of the world's supply, while Sweden follows with 12 per cent.

The furniture and joinery industry in the Northern Countries has been characterised by expansion and development during the last few decades, and exports of doors, windows and portable houses, particularly week-end cottages, as well as furniture, show rising figures.

The world-famous Swedish match industry has been able to draw upon the rich supply of aspen in Sweden and Finland, aspen being the most suitable raw material for the manufacture of matches. As this branch of industry is, however, included in the chemical industries, it will not be treated in this chapter.

Paper and Cellulose Industries.

Only a few decades after the sawmill industry, owing to the general adaption of steam sawmills, had begun to exploit the Northern forests on a large scale, a new and epoch-making utilisation of the coniferous forest resources made its appearance in the form of the mechanical pulp industry.

During the first half of the 19th century the paper industry of the entire world entered a blind alley owing to the fact that the supplies of raw material of the time—rags—could not keep pace with the unprecedented growth in demand. When, therefore, in 1844, the news that paper had been successfully manufactured from wood in Germany spread round the world, the supplies of raw material increased at once, and new possibilities for industrial activity were given to those countries possessing abundant forest resources.

At the outset woodpulp for paper manufacture was produced by the mechanical method only, i.e., by the grinding of wood against revolving stones under high pressure with plentiful supplies of water for the reduction of friction and consequent heat. Paper manufactured from this mechanical woodpulp by the technical methods available at the time proved, however, to be hard and to lack durability, even though the addition of rag fibre

to the woodpulp corrected this fault to a certain extent. The invention of the chemical process of producing woodpulp therefore was of the utmost importance for the industry. In 1853, at more or less the same time, an Englishman and an American took out patents for a process by which chips of wood were cooked in soda lye, by which a clean cellulose fibre, soda pulp, was obtained. When after that the hydroxide was displaced by sodium sulphate the so-called cellulose was introduced. This cellulose proved to be a highly suitable material for mixing with mechanical woodpulp for the manufacture of paper. Sulphite pulp produced by the cooking of wood chips in calcium bisulphite was made for the first time on a commercial scale in 1872 by the Swedish Engineer Carl David Ekman. Sulphate cellulose as a material for paper manufacture was found to satisfy very exacting demands, for the strong sulphate fibres gave the paper great strength, which made this material particularly suitable for the manufacture of wrapping papers, among which the well-known Kraft paper occupies a prominent place. On the other hand the soft sulphite pulp, especially after bleaching was introduced, was eminently suitable for varied use in the manufacture of the finer qualities of paper. Different combinations of the semi-manufactures, and different proportions of chemicals and other variations in production methods provided enticing possibilities from the very beginning for the forming of various characteristics in the paper. This finally led to the manifold qualities which we now find on the paper market.

In this connection one should also bear in mind that in addition to the general usefulness of paper, newsprint, the grade of paper with the largest consumption, is of quite particular importance in modern life. As long as paper remained comparatively expensive, cheap newspapers with a large circulation were naturally out of the question. Only after the introduction of paper manufactured from wood was it possible to print cheap newspapers for practically unlimited distribution, without which it would have been impossible to maintain modern democracy. Thus the consumption of the forest resources, especially in the Northern Countries, may be said to have had a decisive influence on present general and political developments.

The production of board and cardboard, which are at present the products of important industries in the Northern Countries, developed in close connection with the manufacture of paper from woodpulp.

A glance at the figures of production of the combined pulp and paper industries of the Northern Countries in the accompanying table shows a powerful rising trend for all these branches of industry. The adverse effects of the Great War made themselves felt—if the temporary boom in the paper industry of 1920 be excluded—until the first years of the 1920's. Production figures then rose again until 1929, when the last depression created a decline in production for three years. The year 1932, however, ushered in the latest era of development in the Northern Paper Industry, with new building activity and modernisations to existing plant, causing the production curve, particularly as regard semi-manufactures, to show once more a steep rise.

If the war years and minor fluctuations be disregarded, each curve will be seen to indicate its characteristics rate of progress. Of the three curves, the one indicating paper production shows a steady rise, interrupted in its almost straight course by a drop caused by the Great War. This interruption on the normal development of the paper industries of the Northern Countries embraces the period 1916-1924. The curves for mechanical pulp and cellulose are not as steady as that of paper, although in these cases also certain characteristics can be seen. The production of mechanical pulp has not increased quite as rapidly as that of paper, but on the other hand the cellulose industry has gone ahead much more quickly. In 1933 the weight of cellulose produced in the Northern Countries represented 53 per cent. of the total of the three products in question,

against only 34 per cent. for the year 1900. The rapid progress has been made at the expense of mechanical pulp production which, it is true, also rose in absolute figures during this period of 33 years, as shown in the curves, but in percentage fell from 44 per cent. to 25 per cent. of the total production of the paper industries. The production of paper has been constant at 22 per cent.

The growing output of the woodworking industries of the Northern Countries has been made possible partly by a continually increasing forest exploitation and partly by extensions of plants and technical improvements. In the extensions of the woodworking industries the so-called integration principle is generally followed, which means that the trend is to complete production processes either in a forward direction by further refining, or in a backward direction by the production of semimanufactures and the purchase of forests. As the principles of continuous forestry do not at present permit the Northern Countries to increase the felling of forests to any noticeable extent, integration is the natural road for a further increase of the productive value of the woodworking industries in these countries. A singularly fortunate circumstance in this connection is the fact that the further intensification of one branch of the industries does not in general necessarily occur at the expense of another. For integration leads in many cases to a better utilisation of the raw materials or to a higher stage of manufacture.

In order to illustrate the various specialisation tendencies of the woodworking industries in the Northern Countries we will first examine the utilisation of the small timber left over by the sawmills. Originally no other use was found for this material than for firewood, while the remainder was burnt as refuse. Later the utilisation of small timber for charcoal burning purposes increases, besides which the manufacture of laths, staves, etc., from sawmill waste was begun. The largest and most effective use for this material was nevertheless provided by the sulphate cellulose industry, for which sawmill waste is eminently suited. The ever-increasing combination of sawmill and sulphate mill is an eloquent testimony to this fact.

The cellulose industry is expanding along the new lines provided by the manufacture of various refined products such as rayon, artificial wool, cellophane, explosives, celluloid, collodian and cellulose lacquer, and also by the manufacture of all kinds of by-products such as sulphite alcohol, yeast, cymol, turpentine, rosin, methyl alcohol, pine-oil and soft soap. Reference may be made in this connection to the attached diagrammatic explanation of the various branches of the woodworking industries.

In the paper industry the integration principle has been particularly important and at present only a comparatively small number of paper mills are without their own pulp mills. The reason for this development has been the increasing demand of the paper mills for an absolutely uniform quality of pulp; this need can be satisfied much more easily by manufacturing pulp at a company's own mill than by buying it from other mills. Costs of production are also as a rule lower for paper mills possessing pulp mills of their own.

Degrees of integration beyond the stage of paper mills are relatively rare in the Northern Countries and are confined to plants manufacturing bags, envelopes, cartons, exercise books, corrugated board, etc. These countries do not possess undertakings corresponding to the British Beaverbrook and Rothermere concerns, which have their own forests, mechanical pulp mills, cellulose and paper mills, and their own newspaper printing plant.

Apart from integration, which may be regarded as a trend in a vertical direction, development of the woodworking industries also occurs on a horizontal plane. The concentration of industries in horizontal combinations means that several separate concerns find it advantageous to come to an understanding in respect of joint administration, selling or buying, thereby reducing costs of administration and other expenses. As regards selling in

particular joint action has proved singularly effective, and the woodworking industries therefore provide in this connection several examples of horizontal combinations—not only within one country, but also in co-operation between several countries.

The woodworking industries of the Northern Countries have won for themselves a prominent position on the international market. If we take as a typical example of recent developments the year 1933, we find that the Northern Countries produced almost as much mechanical pulp as the rest of Europe combined, and almost a quarter of the world's total requirements. The cellulose industry of the Northern Countries is even more production of cellulose. The production of paper in the Northern Countries amounts to about one-eleventh of the world's production. This proportion is considerably lower than that mentioned above owing to the fact that semi-manufactures are principally manufactured for export to paper-producing countries. This fact will also be seen very clearly from the percentage division of export figures for these articles. Thus woodpulp and cellulose exported from the Northern Countries amount to 85 per cent. and 71 per cent. respectively of the world's total exports of these products. The segment for paper exports, representing rather more than a quarter of the world's exports, indicates that only a small percentage of paper manufactured in the Northern Countries is produced to satisfy domestic needs. Disregarding sales from Canada to the United States of America, the Northern Countries' exports of newsprint occupy the leading place on the international market from the point of view of quantity, these exports amounting to over 40 per cent. The Northern Countries occupy an even more dominating position as regards export quantities of other kinds of paper, or almost 60 per cent. of the world's total exports, including even paper exports from Canada to the United States of America. We therefore feel justified in stating that the Northern Countries control almost half of the world's free paper trade.

An account of the woodworking industries would be incomplete without a reference to co-operation within these industries. Finland, Norway and Sweden more or less began their production of commodities from the woodworking industry from the same starting point and have worked under similar conditions and according to similar methods; on the whole they manufacture the same goods and operate on the same markets. It is therefore natural that there should exist a certain competition between them, similar to that between firms working in the same branch in the same country, but above all they have common interests and a common goal. Co-operation between the Northern Countries is thus perfectly natural, and under the exceptional commercial-political conditions of recent years, it has become even more essential than formerly.

NORWAY

I.

At the end of 1936 the price of ordinary bleached sulphite for the manufacture of paper was about £14 per English ton, c.i.f. North Sea port. It rose during the first and second quarters of 1937 and culminated in June-July at £20-£21 per ton c.i.f. Stagnation then set in and during the autumn prices fell steadily although no business worthy of mention was done. The price at the end of 1937 was approximately £17. Since then it has fallen still further.

At the beginning of 1937 easy bleaching sulphite cost about £11 per ton c.i.f. North Sea port. The price culminated at about £18 and is now down at £12-£13 per ton.

The year 1937 shows a disproportion between European and American prices. The latter have, during the whole of the year, been partly below

those paid at the same time in other markets. During the four quarters of the year the price movement for bleached sulphite has been as follows:—

\$66 \$85 \$93 \$70

all per short ton, ex-dock East Coast of United States of America.

For the first quarter of 1938 the price has been fixed at \$60. In consideration of the great proportion of Scandinavian production which is taken up by the United States of America the consequences of the reduction in price will be realised.

The general decline in cellulose and paper can be traced back to the crisis in the United States which commenced with a heavy fall on the exchange in September and which was due partly to speculation in commodities and partly to political causes, while the great expansion of the sulphite and sulphate cellulose factories in the United States of America has also played an important contributory part.

In the case of silk cellulose, the demand in 1937 has been very good and we have been able to increase our deliveries considerably. Prices, as usual, have followed a similar course to that for bleached sulphite for paper.

The conflict between Japan and China caused great interruption in our deliveries to Japanese customers during the past year.

The development in prices in respect of sulphate cellulose was the same in 1937 as for sulphite. Thus, the quotations ex-dock east coast of United States of America were about \$50 at the beginning of the year, about \$70 at mid-summer, and \$40 at the end of the year. Sales were few and small. The large increase in the number of sulphate cellulose factories has made itself felt.

There was a good demand also in 1937 for fine paper and prices showed, as in the case of cellulose, a steady rise until the late summer. Since then various difficulties, *inter alia* the conflict in the East, have led to the loss of a considerable part of the important Chinese market. This has resulted in a fall in prices and difficult marketing conditions.

As regards our deliveries of paper we have, in contrast to cellulose, been able to reap the full benefit of the rise in prices in 1937.

Efforts are being made to provide for more comprehensive international co-operation and a meeting in this connection was held at Copenhagen in the middle of January.

There has been a steady and good demand in 1937 for Kraft paper and R. B. Mlnbacka-Trysil (the Swedish factory) has obtained very satisfactory prices, to some extent considerably higher than the minimum price fixed by the Scankraft agreement.

At the end of 1937 a number of affiliated factories reduced production considerably and our factories also have conformed to the compulsory Scankraft reduction. On the whole, by means of co-operation with English producers of Kraft paper, Scankraft has succeeded in maintaining the level of prices.

Continued economic and political restrictions have also caused considerable difficulty in marketing in a number of countries in 1937.

The clearing and quota agreements referred to in our previous report have remained in force. In some cases they have become more restrictive and in other cases it is necessary to wait so long for payment that no small risk is involved in selling through the Clearing Agreement.

The civil war in Spain has resulted in practically the total loss of the market. In the case of markets in the Near East, such as Turkey and Greece, it is necessary to take into account that payment for goods delivered through the Clearing Agreement is delayed up to one year. Unfortunately those two Clearing Agreements with Turkey and Greece are gradually destroying our sales of goods to these important markets.

As regards Italy, which is one of the most important markets for silk and cellulose from Norway and Austria and particularly for paper pulp from our Austrian factories, business, in spite of great difficulties, has been normal, although here also it has been necessary in many cases to grant extensive credit.

The Clearing Agreement with Germany has developed favourably and fairly prompt payment is obtainable.

In addition to the difficulties mentioned, import restrictions have also been introduced in Japan in 1937 as a result of the Sino-Japanese conflict. Owing to these restrictions postponement of deliveries has been necessary.

II.

As far as is known, there has been no serious over-cutting of coniferous trees in Norway. There is no prospect of supplies of pulp being exhausted for this reason and growth keeps pace with cutting.

III.

The latest Market Report.

Oslo, March 12th, 1938.

The market for moist mechanical pulp continues very quiet. There has hardly been any turnover whatever since our last report, both sellers and buyers preferring to adopt a waiting attitude. Under these circumstances it is impossible to give information of any value in regard to prices. Prospects will depend largely upon developments in the paper trade, which are very difficult to judge at present. The output of moist mechanical pulp in the Scandinavian countries is being regulated according to the programme previously decided upon for this year.

The situation on the market for chemical pulp is on the whole unsatisfactory. American pulp is being offered in Europe at low prices. Many buyers are asking for postponement of deliveries. At the same time stocks seem still to be accumulating in certain places. Under these circumstances it will easily be understood that the amount of new business transacted must be infinitesimal. Norwegian sulphite mills are still maintaining their production at a fairly normal level, but it is uncertain how long this will last. As previously mentioned the S. P. S. meeting to be held in Oslo next week will discuss the question of a curtailment. It is rumoured that a curtailment of 20 per cent. of existing quotas may be proposed.

THE SWEDISH CELLULOSE AND WOODPULP INDUSTRY IN 1937.

The Cellulose factories were fully employed during the whole year, and for the first time in many years, it was not necessary to reduce production owing to conditions of sale. Consequently the figures of production for 1937 exceeded those of 1936 by about 155,000 tons in regard to sulphite cellulose and by about 90,000 tons in regard to sulphate cellulose, totalling 245,000 tons. Production in 1937 amounted to about 400,000 (1936: 365,000), bleached sulphite cellulose, 1,215,000 (1,093,000) tons of unbleached sulphate cellulose, totalling 2,750,000 (2,505,000) tons. Of these quantities, the following were used for home consumption: 60,000 tons bleached sulphite cellulose, 290,000 unbleached sulphite cellulose and 260,000 tons sulphate cellulose. Exports were about 340,000 (312,000) tons of bleached sulphite cellulose, 925,000 (848,000) tons unbleached sulphite cellulose and 875,000 (805,000) sulphate cellulose; 2,140,000 (1,965,000) tons.

Sulphite Cellulose.

Market conditions at the beginning of 1937 were very favourable. Only 15 per cent. of the calculated production for 1937 was unsold and large contracts had been made also for 1938. During the first half of the

year, business was very brisk. At the end of June, the remaining part of the 1937 production and 75 per cent. of the production for 1938 was sold. The favourable business conditions continued also during the third quarter of the year, and although slightly weakened, important contracts were made for delivery in 1938. During the fourth quarter the situation underwent a radical change. In November and December demand was at a minimum and only small additional orders were received. At the end of 1937 about 85 per cent. of the calculated production for 1938 was sold.

At the end of 1936 prices began to rise and this tendency was maintained during the first half of 1937. In the middle of the year, the market was weaker and during the last months of the year, there was a reaction, especially in regard to the American market. The measures taken by the American paper factories to limit production, resulted in the cancellation of orders by the buyers of cellulose and, or in a postponement of the date of delivery and, or to efforts to resell the cellulose.

At the beginning of 1937, the following prices were quoted for one British ton, c.i.f. English or North European port: bleached sulphite cellulose, £14-£14/10; easily bleached cellulose, £10/5-£11. For strong sulphite cellulose £9/15—for bleached sulphite cellulose £19-£20; for easily bleached sulphite £17/5-£17/10, for sulphite cellulose, £15-£16. The prices which at the end of the year were paid for extra orders, cannot be taken into account. The factories could only obtain a small advantage from the increase in prices, because the major part of the production for 1937 had already been presold.

Sulphate Cellulose.

The market conditions were similar to those obtaining in regard to sulphite cellulose. That statistical situation at the beginning of 1937 was very favourable, because the whole production for the year had already been resold and also 80-5 per cent.

SWEDEN.

The present position in Sweden of the Paper and Paper Pulp Industries, and the trend of prices and the amount of production.

The production of the Swedish Wood Pulp and Paper Industries in 1937 was as follows:

Chemical pulp/total about 2,740,000 tons.

Mechanical pulp/dry weight about 685,000 tons.

Paper and board about 910,000 tons.

The forest industries of Sweden including also the timber industry contributes about one seventh of the national income. In way of exports, however, these industries account for nearly one-half of the total export value. The share of the wood pulp and paper industries has steadily increased at the expense of the timber industry and this development to continue also in years to come.

The trend of prices at the moment is difficult to judge because of the reduced volume of sales during recent months. The production in 1938, however, is fairly well sold.

The extent to which supplies of pulp are being exhausted by over-cutting of coniferous wood suitable for pulp manufacture.

The forests of Sweden are managed on a sustained yield basis, hence there is no over-cutting which would endanger the future supply of coniferous woods.

The forest industries, however, are fairly well expanded within the annual regrowth of the forests and any appreciable increase in pulp or paper manufacture would therefore have to be developed at the expense of other forest industries as indicated under para. 1.

Of the production for 1938. Prices increased during the first half of the year, but the increase was modest in regard to contracts for 1938. Quotations for strong sulphate cellulose c.i.f. English or North European ports were: at the beginning of 1937 about £9/5 to £10, and in the middle of the year £11/10-£12 per British ton.

Wood pulp.

The factories were busy throughout the year, apart from certain interruptions caused by the temporary shortage of water. At the beginning of the year, there were only small stocks of moist pulp, and about 70 per cent. of the calculated production for 1937 had been sold. Business was very lively throughout the first half of the year and especially during the first three months, when considerable quantities were sold for delivery in 1937-38. Prices which at the end of 1936 were about £50 to £55 c.i.f. England, rapidly increased to 72/6d. to 75 c.i.f. During the third quarter, the turnover was quieter at unchanged prices, and at the end of the year business came to a stillstand and prices began to weaken. At the end of the year, about 80-85 per cent. of the production for 1938 was sold, apart from the whole production for 1937.

Production of dried pulp found a ready market at increasing prices during the whole year. Prices increased from 100-105 Kr. at the end of the year 1936 to 150-155 Kr. nett f.o.b. at the end of September-October, 1937. At the end of the year, prices became weaker.

During 1937, about 675,000 tons (1936: 630,000 tons) of moist pulp wood and 46,000 (46,000) tons of dried wood were exported. Since 1939, 59,000 of dried and 550,000 tons of moist wood pulp have moved in favour of moist wood pulp.

FINLAND.

I.

THE PRESENT OUTLOOK IN THE FINNISH WOODWORKING INDUSTRIES.

Supplies of raw materials.

The very remarkable expansion of the Finnish woodworking industries during the last twenty years is apt to create an impression abroad that this country has unlimited opportunities for saw-milling, pulp and paper manufacture and, in fact, all industries that use wood as a raw material. To some extent this idea has been encouraged by erroneous information about the country and its economic conditions, in which great stress is laid upon its valuable forest resources. But, even if Finland is one of the richest countries in Europe in this respect and derives additional benefit from excellent natural reforestation, it is surely only too evident that there must be a limit to the yield of the forests that must also determine a limit for the increase in the output of the woodworking products. It is an acknowledged fact that the estimates made without sufficient and reliable statistical information have often proved false, and that the future of forestry in Finland was regarded rather pessimistically even at the time, when most of the forests still remained intact in their virginal majesty. It is also evident that the local consumption of timber for other than industrial purposes, such as fuel, building and fencing, which formerly amounted to as much as 50 per cent. of the total consumption, is on the down grade as the price of timber rises and more effective methods are introduced for its use. Nevertheless, it is probable that the limit for further expansion in the productive volume of the Finnish woodworking industries has been reached or will be reached in the near future.

The creditable point between production and consumption should be established by the survey of the forest resources that is proceeding at present and should be completed next year. (See No. 9 of the British Bulletin). Without anticipating the results of this survey there is reason

to point out that the remarkable upward trend of prices of every kind of timber that has occurred during the last two or three years, has found an added impetus in the fact that there is no actual surplus in the production of wood over the consumption for industrial purposes.

The state of the Sawmilling Industry.

In discussing the position of the sawmilling industry from this angle it should be noted that there has been no actual scarcity in the supply of logs to the mills. On the contrary, the supply of logs has been so large as to make it difficult to keep the total exports within the limits prescribed by the European Timber Exporter's Convention. This, however, by no means proves that there is a surplus in the natural yield of the forests in the size used for sawmilling. Weighty evidence to the contrary is furnished by the decline in the size of the logs which, after balancing steadily since 1930, drops suddenly for the year 1937. The real reason, why it has been comparatively easy to satisfy the requirements of the sawmills in raw materials is to be found in the movement of prices for sawn goods in foreign markets since the end of 1935, when the European Timber Exporter's Convention came into force. The Convention itself did not contribute very much towards the rise of the markets, except acting as an initial force; the increase in prices was mainly due to the general trend of prices for other commodities.

It is significant, however, that the rise in the price of sawn goods was closely followed and often even anticipated by the price of logs. For this reason there is not much for industry to fall back upon, when prices recede. But the forest owner has pocketed solid profits of no little importance, labour has been well employed and wages have risen during this period. According to estimates made in the proper quarters, the stumpages income of private forest owners in Finland, which varied between 500 and 600 million marks in 1934-36, rose to 1,350 millions for the selling period from May, 1936, to May, 1937, and will probably reach 1,600 millions for the corresponding period in 1937-38. As there is not much difference in the quantity disposed of, it is obvious that farmers, influenced by their recollections of the lean years of the depression and temptation of rising prices have sold out rather freely. It is also evident that, when prices settle down, there will be a movement in the opposite direction in the volume of this trade.

The boom is still on, however, and there is no prospect of a reduction in the exports of sawn timber in the immediate future, and there is therefore no reason at present to enter upon definite estimates in this respect, but conservative calculations place the permanent export capacity of the country at well below a million standards a year, which—with 5,000 stds. added—is the quantity allotted to Finland by the international agreement on exports. It should, indeed, be noted in this connection that exports of sawn goods from Finland reached their peak already in 1927, when the total quantity exported was about 1,900,000 stds.

It is also of importance to realise that the number of firms participating in the exports of sawn timber from Finland is about 550. Of these, however, thirty firms with an output of over 10,000 stds. each, are responsible for about 60 per cent. of the total, and 70 firms producing between 2,000 and 10,000 stds. account for about 25 per cent., the balance being divided among 450 small mills exporting either directly or through local export houses.

The state of the paper and pulp industry.

The paper industry has developed on totally different lines. The bulk of the paper manufacture is in the hands of a comparatively small number of large enterprises. Many of these are of old standing financially strong, and their business is not confined to one single branch of the woodworking industry, but covers the whole field more or less completely, beginning with sawn timber and ending with paper-making products. They are

therefore able to use their raw materials efficiently, and as they are at the same time considerable owners of forests, they are not wholly dependent on the fluctuations of timber prices. The Finnish State, as the principal shareholder in two of these companies, has a considerable interest in this very efficient section of the Finnish woodworking industry. With the assistance of sound finance this "heavy industry" of Finland has been able not only to modernise its plant during the post-war period, but also to increase its output on a scale that has been going up by leaps and bounds towards the limit of raw materials that the country's forests can supply. In the course of ten years the output of chemical and mechanical pulp has been fully trebled and at the same time the manufacture of pulp boards and paper has grown to more than double its former size.

The exports in 1937 are estimated to amount approximately to the following quantities:—

	Tons.
Sulphite cellulose	800,000
Sulphate cellulose	400,000
Mechanical pulp	300,000
Cardboard	100,000
Newsprint	400,000
Other kinds of paper	130,000

According to the available statistics the manufacture of pulp and paper from spruce has slightly exceeded the normal supply of the raw material, while there is still a surplus of pine available for the sulphate cellulose and kraft paper industry. In view of the extent of exports of pulp wood and pitprops the scales seem to be weighed down rather heavily on the side of over consumption in spruce, and if the new sulphate mills under construction at present are taken into account, there does not seem to be much room left for a further increase in the output of sulphate cellulose either. This, of course, is only an estimate for the immediate future, say the next 10-15 years for the improvement has been achieved in recent years in the management of private forests may be expected to bear fruit in due course. But even if we take reasonable optimistic view of the question, it cannot be denied that, broadly speaking, the increase in the manufacture of paper and pulp has very nearly reached the limit for further expansion in quantity. This fact in the price of pulp wood which, although it may originally be due to the market conditions and the general rise in commodity prices abroad, nevertheless, points to increased scarcity in the supply of pulp wood. For the moment, however, no such scarcity is felt, the situation on the pulp wood market corresponding broadly to the position of the sawmilling industry in regard to raw materials.

Private forest owners, who had obtained about 500 million marks a year for their sales of small-sized timber up to 1936, increased their income from that source for the selling period 1936-37 to 600 millions and are expecting a further increase to about 900 millions for the selling period 1937-38. Since the beginning of 1936 the price of spruce pulp wood has risen about 100 per cent., causing grave concern in particular to the sulphite pulp and newsprint industries which are tied down to comparatively low prices by long-term contracts. In such circumstances it is not unreasonable that the question should have been mooted of limiting exports of pulp wood to those countries that exclude the products of the Finnish paper trade from their markets by means of excessive trade barriers, and that public opinion in favour of measures of this nature should be gaining ground.

That state of Plywood Industry.

The industries that use brich as a raw material have also grown considerable in recent years. This is especially the case in the plywood industry, a field in which Finland is a very important factor on the international market. Starting during the years immediately after the war, the plywood industry has attained an output of about 160,000 tons a year for export. In some cases it works as a subsidiary branch of the large woodworking combines, but the bulk of the production is in the hands of firms that specialise in the manufacture of plywood. There is still a surplus of brich available for industrial purposes in the country, but in spite of several small plywood factories having been established during the last few years, it does not seem probable that the supply of the special sizes and qualities of birch used in the plywood industry can guarantee any material increase in output in the near future.

Conclusion.

Although there seems to be little prospect of a material increase in the volume of exports of woodworking products from Finland, there are ample opportunities for guiding industry into new and profitable channels of production. A differentiation of the woodworking industries with a growing interest in more highly refined products is already perceptible. Such articles as spools, bobbins, furniture and joinery work, wallboards corrugated boards and various packing materials already form a very important item in Finnish export statistics, and artificial silk and celluphane produced in Finland, will shortly appear at any rate on the home market. The restriction of output imposed by the extent of the forest resources does not, therefore, exert a corresponding influence on the total value of the exports of woodworking products which should continue to increase.

II.

The following table shows that the average annual utilisation of home grown wood in Finland during the years 1925 to 1934 amounted to the following figures:—

Million cub. metres solid wood excluding bark.

(1) Exports of unmanufactured wood		3.0
(2) Industrial utilisation—		
Raw material	15.6	
Fuel wood	1.1	16.7
(3) Consumption by rural population—		
Fuel wood	9.6	
Other wood	3.2	12.8
(4) Other items		3.5
Grand total		36.0

As the different kinds of losses in connection with the cutting and floating of timber are estimated at 2.5 million cub. metres excl. bark, the total cutting can be estimated to amount to 38.5 million cub. metres excl. bark.

By further adding to this cutting volume natural losses in the forests, viz., 2.6 million cub. metres, the total annual drain is estimated at 41.1 million cub. metres. The annual growth, viz., 44.4 million cub. metres, is thus slightly in excess of the annual drain estimated for the decade 1925 to 1934.

AUSTRIA.

Wood and Paper—Hopes and Plans.

During the course of this week, conversations will take place regarding the fusion of the Austrian and German wood and paper industry between experts of both sides. The decision to be taken in the near future, *i.e.*, after clearing up economic, technical and financial factors and possibilities—will end the depression in the Austrian wood industry which has lasted for many years and was only temporarily alleviated as a result of an improvement in last year's export trade. As a result of this fusion, which will be carried out in accordance with a carefully worked out plan, there will be an increase in the turnover of all kinds of wood and wood products. All interested parties are agreed on the point that the structure of the Austrian silviculture and industries based thereon will undergo a considerable change. The President of the Austrian Wood Industry Council, Fr. Hasslacher, thinks it is probable that new industries will be established within the framework of the "Four Year's Plan"; for instance, cellulose wool factories in combination with the already existing cellulose factories, several factories for the manufacture of feeding stuff from wood, and for developing the use of wood waste; also several hard paper factories and finally wood factories working on the lines of the Wubag process. The plans to build up these industries will require some time before they are realised, but before the re-organisation of the whole wood industry of Austria has been carried out, an extraordinary increase will take place in the output of the sawing mills, cellulose and paper factories, which are not working to their full capacity.

The first question to be raised is as to whether the production of wood cannot be considerably increased. The surface of 3.14 million ha of woods (83 per cent. of coniferous wood and 17 per cent. of leaf trees), should produce about 9.5 million F. M.'s (Festmetres: 1 FM=1 cubic metre of wood) of wood, judging from the previous standard of silviculture. The question as to whether this figure of production can be maintained without neglecting the necessary care which should be afforded to wood in mountainous districts, has been left open by Herr Hasslacher, but he has intimated that the new standard of silviculture only allows for a yearly felling of about 8.5 million "Festmetres". Considerations of this nature make it necessary to re-examine the previous uses put to wood, and to make certain changes. The use of 3.6 million F. M.'s for fuel purposes, appears to be uneconomical and the consumption of coal in districts which are favourably situated from a freight point of view, would allow for the use of wood, previously used as fuel, for the production of cellulose and hardwood paper, or for feeding stuffs. Naturally the advisability of the other uses put to wood, will also be examined.

One can understand that Austria is anxious from a social point of view for the wood industries to be run as far as possible in the districts where the wood is felled. This desire applies to export trade, as well as to the supply of the German market. If the export of cut wood, especially round timber and wood used for the paper industry, is reduced or even stopped, it would be possible to supply Germany proportionately with considerable quantities and also to ensure the growing demand of the Austrian industries for using wood as a raw material. The paper and cellulose industry is of the opinion that the existing or new factories will be able to use the total production of Austrian wood in Austria. As a result of its extension during the last year, the cellulose industry has been able to increase its production capacity by about 100,000 tons, to about 420,000 tons per year. If the industry works to its full capacity, as is to be expected, there will be a quantity of 210,000 tons available for, German territory and for export, after allowing for 140,000 tons for consumption in Austria. Of the first amount, 50,000 tons per year would have to be reserved for the supply of the Hungarian and Italian industry,

with whom agreements have been made. Sixty per cent. of the production of the cardboard and paper industry was exported during the last few years. (1937: 232,000 tons of paper and 64,000 tons of cardboard). In 1937, business with East Asia and South Africa brought about a considerable, and at the beginning a profitable increase in production. At the end of the year, the export situation deteriorated considerably. In addition to the retrograde movement brought about on the East Asiatic market due to War, the competition of the American and Canadian exporters on the other world markets made itself felt and lowered prices. It is true that the Austrian paper and cardboard factories have concluded long term export contracts, but on the other hand they had to conclude contracts for the supply of wood when prices were very high. The new situation and prospects due to fusion with the German paper industry, make these troubles recede to the background. It is expected that the German market will create a strong demand and lead to the working of the factories to their full capacity. The paper manufacturers in particular will however have to re-examine their manufacturing programme with a view to simplifying and adjusting conditions to German production. From an organisation point of view, the situation regarding future co-operation with the German industry is very favourable, because the Austrian paper industry is combined with a strict Sales Cartel, and it is thought that this organisation will be able to carry out the task of regulating business with Germany and also in connection with any future rationalisation of production. As regards the export of paper, there exist conventions between Hungary and Italy of a nature similar to that of a Cartel. These are run by inter-governmental bodies and are favoured by Government measures (Import regulations and preferences in accordance with the Roman Protocols).

GERMANY.

In 1934 "Der Deutsche Volkswirt" afforded the writer an opportunity to publish certain ideas on certain questions relating to raw materials of the German cellulose and paper industry. As a result of the depression a lively discussion arose regarding the dependence of the various industries upon imports.

The world importance of German Cellulose and Paper Industry.

The German paper and cardboard production takes third place in world production, coming immediately after Canada. The United States of America are far ahead of these two countries. As regards the production of cellulose and wood pulp the United States of America also takes the first, Canada the second and Sweden the third place. Germany takes fourth place.

Previously Germany's share in world exports of cellulose and wood pulp was only 4 per cent. Her exports are now moving in a retrograde direction and are even below zero if they are balanced against imports. In 1937 Germany showed for the first time a small imports surplus of cellulose. In international statistics of world export, paper and cardboard are combined with those of paper goods. In 1936 Germany's share amounted to almost 16 per cent., of which a considerable part—not according to quantity but to value—comprised of paper goods. In contrast to exports of cellulose, the exports of paper cardboard and paper goods display a tendency to increase.

Compared with Germany's production, exports of cellulose in 1936 amounted to 17 per cent. of the total production of this commodity, whereas the export surplus of cellulose was only 52½ per cent. It is expected that the 1937 figures will show a considerable reduction in the percentage of exports and, as mentioned before, an export surplus will not be advised. In 1936, Germany's paper and cardboard factories exported about 12 per cent. of their production and in 1937 an increase was brought about

in this respect. The importation of paper and cardboard is so unimportant that exports are practically unchanged when imports are balanced against exports. As German industry takes a leading position in world production, although it does not export considerable quantities, it must be deduced that consumption in Germany is extraordinarily large. In 1938, consumption of paper and cardboard in Germany actually amounted to 42 kg. *per capita*, this figure being exceeded in a few countries only, for example in the United States of America and England. When considering that in many countries, or even of the whole world, the highest chief figures of consumption are below 10 per cent., one will be able to obtain an idea of the unimaginable reserves in world demand. In addition the cellulose and paper industry is being transplanted to countries which have an abundance of wood and to which Germany does not belong. In these countries a tendency will develop to export their wood pulp, cellulose and paper goods rather than to supply their competitors with raw wood. It is therefore to be expected that the increase in world consumption of paper will be accompanied by a shortage of paper raw materials. This is therefore an additional reason for securing an adequate supply of home produced paper raw materials.

The basis of raw materials.

Once before, the raw material problem of the paper industry was a serious one, namely at the time when textile waste and rags only were used as raw materials. The supply did not keep pace with the increasing demand for paper. Resort was taken to wood, which was ground by a mechanical process and was used in this form for the production of paper. It was, however, soon learned how to prepare this wood chemically, and to produce cellulose, thereby finding a raw material, the qualities of which equalled those of raw materials made from rags. An acetose and alkaline process was developed of which the latter is not so extensively used as the former, which however has been applied with great success to the production of cellulose from straw. Another process for the production of paper raw materials from straw had as a basis not sodium, but a cheap caustic lime. By means of this process, a high quality paper and cardboard cannot be produced, but a very serviceable so-called yellow straw material. The exploitation which is achieved by means of this process, is considerably higher than in the production of cellulose and is equal to the exploitation by means of grinding wood. Up to the present, the consumption of straw has been equally divided between the manufacture of yellow straw material and straw cellulose. The paper factories have always used again as a raw material, the so-called waste resulting from their manufacturing process. After a market had been gradually created for paper waste of buyers and users, the waste of the factories was not only used again, but also additional quantities of waste which were brought into the market.

As the industry was being developed, rags, the "finest" raw material, lost more and more ground and of the three other raw materials, wood took the first place.

Wood was, in the first place, a German raw material, but a few years before the War, the German cellulose and paper industry was compelled to recourse to foreign wood, particularly Russian, Austrian and Hungarian, because it relied exclusively on wood as a basic raw material, *viz.*, practically entirely on pine wood. After the War, imports increased and since 1924 the average imports of paper wood amounts to 2 million tons.

In 1938, Germany produced 1,010,000 tons of ground wood, 1,350,000 tons of cellulose, 2,520,000 tons of paper, 630,000 tons of cardboard. As there is no export of any importance, wood pulp is used exclusively as a raw material for the production of paper and cardboard; this also applies to cellulose in as far as it is not exported or is not used in

the artificial silk and cellulose wool or chemical industry. In regard to cellulose, imports must be taken into consideration. The four well-known kinds of paper raw materials—after excluding repetition in counting and taking into consideration imports and exports—were used as follows:—

About 2,520,000 tons paper.

About 630,000 tons cardboard.

About 75,000 tons (export surplus of cellulose).

About 150,000 tons of cellulose used in other than the paper and cardboard industry.

About 3,375,000 tons in all.

The following raw materials were used in the total consumption of raw materials:—

Wood, about 4,350,000 tons=80 per cent.

Waste paper 750,000 tons=13 per cent.

Straw 250,000 tons=5 per cent.

Rags 125,000 tons=2 per cent.

The total of raw materials used therefore amounts to 5,475,000 tons. When comparing raw materials used with the result, it is found that the exploitation is a good average of about 60 per cent.

As regards the production from cellulose, the exploitation is below this percentage, and as regards wood pulp and yellow straw material, as well as waste paper and rags, the percentage of exploitation is higher. Taking into consideration the present ratio of the production of wood cellulose and wood pulp, the exploitation of the chief raw material, namely wood, is 54 per cent. According to quantities, the production of cellulose from wood is 30 per cent. higher than the production from wood pulp, but owing to the great difference in the exploitation, the consumption of wood for the production of cellulose is about 100 per cent. higher. Only about one-third of the consumption of wood is used by the wood pulp concerns (Schleiferei) and about two-thirds by the cellulose factories. From the above it will be gathered how important it is to increase the exploitation, for instance, in the manufacture of so-called semi-cellulose which may be used to advantage in the manufacture of certain kinds of paper.

In 1937, production and consumption displayed an increasing tendency. The consumption of straw and waste paper showed a proportionately higher increase than that of wood. Wood pulp as well as wood cellulose, are chiefly made from fir wood. Previously it was only possible to use for the manufacture of special kinds of packing paper and cardboard, a proportion of pine wood, but recently certain processes have been applied by means of which it is possible to use pine wood which is rich in resin, without it having been previously steamed in the manufacture of other kinds of paper, in particular of printing paper. There is therefore a technical possibility of using more pine wood. In regard to the production of cellulose, the use of fir by means of the sulphate process has been known for some decades. In foreign countries, especially in the northern countries, large quantities of sulphate cellulose is produced on this basis, whereas in Germany it has been quite unimportant up to the present. During the last few years, the share of the production of sulphate cellulose of the total production of cellulose, was not even 4 per cent. The sulphate cellulose factories in foreign countries, are chiefly combined with large sawing works which supply the wood waste to such factories and are therefore in a superior position as regards the calculation of manufacturing costs, a fact which has had a strong effect in this age of world economic competition. The share of the production of straw cellulose compared with the total production of cellulose is unimportant. It was only a little over 4 per cent. during the last few years.

German Sylviculture in relation to the production of paper wood.

The German surface covered by forests is about 12½ million hectares, about 30 per cent. of which consists of leafwood and about 70 per cent. of coniferous trees. About half of the leafwood consists of beech trees and of the coniferous trees, 60 per cent. are pine trees and 40 per cent. fir trees. Compared with the total area, the percentage of fir trees is about 28, of pine about 44, and of beech about 13. During the economic year 1934-35, about 29 million Festmeter (one F.M.=1 cubic metre of wood) of coniferous wood was cut. Of this amount about 11 million F. M. or about 5½ million metric tons consisted of pine wood. If the amount brought about by increased cutting is deducted, the balance is lower than the consumption of wood in the cellulose and paper industry, which was calculated at 4.35 million metric tons for the year 1936. If this figure of pine wood is included as representing 10 per cent. It is therefore evident that it is urgently necessary to use more pine wood. The use of this wood has been previously mentioned. For the purpose of increasing the production of pine cellulose, two large works are at present under construction in Austria and Johantismühle. In the meantime, the use of beech wood with which tests have been carried out in the laboratories many years ago and have since been developed, has been introduced in a large factory at Wolfen. At present, additional works are under construction in Wildhausen and Elingen in which beech as a raw material basis will be used.

In addition, wood which appears in the statistics as fuel, will receive greater attention. In the statistics for the economic year 1934-35, 33,800,000 F.M. of wood was shown as being used for industrial, and 20,200,000 for fuel purposes. Thirty-five to forty per cent. of the total output of wood was used as firewood, which gives the least value. Undoubtedly the previous production of firewood contained considerable reserves of industrial wood, which is estimated at about one-third of the present production. In order to use this wood for industrial purposes, steps will have to be taken to sell coal and lignite at prices which do not render the consumption of fuel material more expensive in those parts of Germany where large quantities of wood are being used for fuel purposes.

The price calculation in the use of the various kinds of wood as paper wood, plays an important part. One of the first conditions for the profitable application of the sulphate process is that the salts can be recovered after use. Their regeneration is possible to an astonishingly high degree, but necessitates a very costly plant and processes which, in conjunction with a national fuel system, have reached a very high stage of development. The costs are, however, high, particularly in view of the low degree of exploitation. The question of solving this problem is a matter of price policy of the forest economy. With regard to beech wood, the question of costs is similar, but in regard to this wood, the specific weight allows for a higher degree of exploitation as compared with the volume of this kind of wood.

The total requirement of wood for industrial purposes.

When considering the question of making the paper wood industry independent from imports, it must be taken into account that this is not the only industry using wood. The economic year 1934-35 showed a production of nearly 34 million F.M.'s of wood for industrial purposes. Part of this amount has been brought about by increased cutting, and it is therefore not possible to maintain this figure in the future. Apart from this quantity, about 11 million F.M. of wood was imported. Since 1924 a yearly average of 2.8 million tons of wood for building and industrial purposes were imported, apart from the above-mentioned quantities of paper wood. The German forests are therefore in a position to supply only ⅓ to ⅔ of Germany's requirements of wood. Great efforts will therefore

have to be made to increase the production of the German forests, which have already reached a high degree of perfection, and to use wood for industrial purposes which has previously been used as fuel. It will also be necessary to economise in wood as far as possible, and to make suitable distribution among the various industries. Finally the new and additional consumers of wood—the manufactures of alcohol and feeding stuffs from wood, the producers of gas, coal and building material from wood—will have to resort for their requirements to wood previously used as fuel.

For the purpose of forming an idea of the possibilities of economising in the use of wood, it will be necessary to enumerate the consumers of wood in accordance with their importance. The share of the building trade is about 50 per cent. of the total wood consumption, of the cellulose and paper industry about 20 per cent, and of the joiners' trade, furniture and house utensils and other industries, about 15 per cent. The remaining 15 per cent. is used for the production of mine timber, sleepers and masts. Economy in the use of wood for building purposes would form an important factor because the building trade is the largest consumer. The possibilities which are offered in this connection in this trade, deserves to be realised even if there is a danger of a certain increase in the building costs. Concrete pillars or concrete beams form a substitute for wood beams. The use of timber framing, the gabling of houses with wood, the building of houses entirely from wood and the erection of very steep roofs must undergo control in the interest of national economy.

Possibilities of using substitutes for wood in the cellulose and paper industry.

When comparing the weight of the raw materials used in the paper industry, it is found that waste paper represents 13 per cent. of the weight of the total raw materials used. When comparing the consumption of waste paper in the paper and cardboard industry, and when taking into consideration that the use of this raw material produces a yield of about 100 per cent., we arrive at a quota of about 24 per cent. It is proposed to increase the use of waste paper for the manufacture of paper and cardboard by one-third. This objective, which is embodied in the "Four Year Plan", cannot only be attained but even exceeded. It must be pointed out that an increase in the consumption of waste paper does not present any technical difficulties as also printed waste paper can be used again without any technical difficulties or high costs. The only difficulty is the collection of waste paper. A very large proportion of households do not form part of the collecting system, not even in larger towns, not to speak of small towns or villages. The institution of compulsory collective districts will ensure that in future all households come within this system. If 300,000 tons of additional waste paper is used, a saving of 400,000 tons of wood will be effected if one takes as a basis a yield of 54 per cent. This quantity may however be less, because a large proportion of waste paper will only be used as a substitute for wood pulp.

The structure and chemical composition of straw is very closely related to wood. It has, up to the present, been used for the production of straw cardboards, straw packing paper, and in particular for corrugated paper for the manufacture of straw cellulose and the working up of fine paper. The production of straw cardboard represents about 10 per cent. of the total production of cardboard, whereas the production of straw paper is only 11½ per cent. of the total production of paper. Straw can be used on a large scale for the manufacture of so-called wood-free paper, so called because it contains no wood pulp but only chemically prepared cellulose. The wood-free papers represent about 11 per cent. of the total paper production. By using mixtures of straw, which have been put to proof by means of technical tests, it is possible to effect a saving and to allow for a doubling of the consumption. Various experiments carried out on a large scale during many years past, have shown that straw cellulose

prepared in a certain way may also be used as a mixture for the manufacture of packing paper as well as for the so-called wood containing paper. It has also been made possible to manufacture cellulose from straw for the purpose of the cellulose wool and artificial silk industry, as well as for the chemical factories. Without being too optimistic it may be said that it will be possible to use straw as a raw material to the extent of 1 million tons. In this way it will be possible to save about 700,000 tons of wood.

A reply will now be given to the question as to whether straw is available in such a quantity. We start by presuming that no query will be raised from the point of view of costs, as in this connection straw can compete with wood and the process of preparation is not more expensive and the yield is higher. The German Statistical Office has ascertained the following figures in respect of straw crops:

	Million tons.
Rye straw	17.79
Wheat straw	8.18
Oats straw	8.13
Barley straw	4.69
Total	38.79

The total straw harvest—without fibre from flax, hemp and leguminous fruit plants—amounts to about three times as much as the ordinary production of wood. Not even 0.7 per cent. of the crop has been used up to the present for the production of cellulose and paper, and its consumption as packing material, bottle covers, straw roofs, etc., is quite unimportant. The transport statistics show that the transport of straw is only 2 per cent. to 3 per cent. of the harvest. It must therefore be deduced that hardly any exchange takes place between the chief cereal producing and the stock farming districts. The use of straw in agriculture is not determined by the actual requirements, but by the quantities available. One neighbouring country, Holland, is an interesting illustration as to how agriculture can supply straw. Her surface used for growing cereals is only about 1/20th of the German, her live stock is proportionately larger than that of Germany and nevertheless Holland supplies every year 30 per cent. of her straw harvest for industrial purposes or for export. The absolute quantities which are placed at the disposal of industry, are even larger than those supplied by the German agriculture for such purposes, although the German surface for growing cereals is 20 times larger than that of Holland. Holland has built up on a straw basis, the most high developed cardboard export industry of the world. Italy, too, has extended the use of straw as a paper raw material in an exemplary manner.

It is a matter of course that the present straw distributing organisations will have to be further developed for the purpose of coping with larger demand and for achieving perfection. In view of the continuously increasing world consumption of cellulose and paper, and the reserves in demand latent in countries with a low consumption of paper, there is a strong desire to use wood which grows quicker. In that respect straw is unequalled by any kind of wood as its growth requires the same amount of time in months, as is required in years in respect of German sorts of wood.

In conclusion it may be said that the raw material problem of the cellulose and paper industry can be solved. Combined measures are necessary to spare firewood as far as possible and to resort to the use of pine and beech wood, and in taking due account of the limits of the wood production of the German forests to increase the collection and use of waste paper and straw.

CZECHOSLOVAKIA.

I.

In the Slovak forests Czechoslovakia has abundant supplies of pulping timber and there is not likely to be a shortage of this raw material for domestic industry. But although most of the Czechoslovak pulp mills are situated in the Slovak timber regions the local railways are so inconveniently arranged that transport of timber to the Slovak mills is difficult and relatively expensive. Private Czechoslovak owners of timber in the frontier districts therefore often find it easier to cater for the demand from beyond the frontier. This is especially so as regards Germany, whose present great demand for timber has tended to raise the price above the level at which the Czechoslovak pulp mills themselves can profitably compete for supplies. The same applies in some measure to Hungarian purchases of timber.

Czechoslovakia chiefly requires and produces chemical sulphate pulp, but a few millboard factories produce mechanical pulp for their own use. Chemical pulp is produced partly by the local paper factories for their own consumption, but principally by a group of important pulp mills. The latter are organised in a cartel which comprises the greater part of local production, and independent manufacturers are few and unimportant.

No statistics of consumption or stocks are published, but the position with regard to chemical pulp may be gathered from the following figures:—

	In metric tons.				
	1929.	1934.	1935.	1936.	1937.
Import .	4,186	4,412	4,672	6,278	7,297
Production .	248,000	180,000	202,000	247,000	...
Export .	97,372	100,667	91,434	109,663	135,000
Apparent consumption .	154,814	93,745	115,238	143,615	...
Factories were working at about .	...	55%	60%	75%	100% capacity.

Czechoslovak exports of pulping timber during the following years:—

	In metric tons.	
	1935.	1936.
	437,800	498,500
		263,000

Export of pulp to the United Kingdom by the Czechoslovak cartel manufacturers is increasing: it amounted to 60 metric tons in 1932, 77 metric tons in 1935, and 3,483 metric tons in 1936.

The Czechoslovak cellulose manufacturers are now (August, 1937) said to be working at full capacity. The exportable surplus of pulping timber has therefore diminished during the past 6-8 months, and where clearing quota and compensation agreements permit (as in the case of trade with Germany and Hungary), Czechoslovak interests have endeavoured to slow down the rate of export of raw timber. This action appears to have been taken less with the object of protecting stocks of pulp than for preventing the demand of neighbouring countries from further inflating internal prices. The Czechoslovak cellulose producers and other users of timber recently protested against the uncontrolled supply of pulp and unworked timber to subsidized German industries which, they allege, compete with them in third markets. The local cartel also recently restricted the export of pulping timber to Poland.

No expansion in productive capacity is taking place. A plan was discussed early in 1937 for the erection of a chemical pulp and paper mill in conjunction with the State-owned forests in Slovakia, but the promoters have not so far proceeded to realise this plan. The firm of Bata commenced the erection of a cellulose mill in Slovakia during 1936. This mill, however, will not add to the country's total capacity for export, since it is intended solely to contribute towards Bata's own requirements of cellulose in view of the firm's expanding output of textiles.

II.

Summary of Report for 1936 of the Association of Paper Manufacturers.

During 1936 the conditions of Czechoslovak paper manufacturers were affected by the production of artificial fibres. Not only is the world output of rayon continuously expanding to meet normal needs, but a new factor is the movement of certain countries towards a still greater production of staple fibre for their "industrial mobilisation" plans. To this must be added the increased demand for cellulose directly for defence purposes. These circumstances, in conjunction with the increased consumption of paper due to rising purchasing power, are naturally affecting the situation of Czechoslovak manufacturers.

Production of Paper, Pulp and Millboard.

In metric tons.

	Paper.	Millboard.	Pulp.
1928 . . .	241,000	35,000	346,000
1929 . . .	226,000	33,100	269,000
1930 . . .	210,000	24,000	264,000
1931 . . .	180,000	28,000	268,000
1932 . . .	192,000	18,500	211,000
1933 . . .	175,000	15,700	211,000
1934 . . .	188,000	20,400	233,000
1935 . . .	205,000	23,000	217,000
1936 . . .	240,000	22,820	246,000

The above figures regarding pulp are based on Czechoslovak statistics and cover the production of chemical pulp only.

Since the last devaluation of the Czechoslovak crown the domestic price of pulping timber has risen to an unprecedented level. Although this internal price movement has been accentuated by circumstances in world markets, it is partly also due to the special structure of the Czechoslovak timber market itself. For prices in the Czechoslovak market for pulping timber are first and foremost determined by circumstances in the German market, and the rise in the exchange value of Reichsmarks after devaluation of the crown enabled the German importer to pay more in crown than was possible before devaluation.

Thus arose the remarkable development that the increase in the price of an essentially domestic raw material like timber, in consequence of currency devaluation, was proportionately far greater than the rise in prices of other, imported raw materials. The result is that the Czechoslovak paper making industry, notwithstanding that it utilises domestic raw materials, is noticing a greater adverse difference between costs and prices than many other industries who must rely on imported raw materials.

*Index of Timber, Cellulose and Newsprint prices:**Base of Index: 100=average of 1922-29.*

	Soft round- wood:	Cellulose:	Newsprint:
1922	93.7	131.4	138.0
1923	62.2	97.5	102.2
1924	56.8	87.0	95.2
1925	93.1	94.8	93.2
1926	112.0	102.0	93.5
1927	111.1	98.8	92.6
1928	133.3	94.4	92.3
1929	137.4	94.2	91.9
1930	97.4	93.9	91.5
1931	65.5	77.6	88.5
1932	48.8	68.0	85.8
1933	46.7	58.9	81.8
1934	63.3	58.0	79.5
1935	65.0	60.7	76.5
1936	72.8	67.1	74.8

Although Czechoslovakia is, comparatively, one of the countries that are richest in timber resources, as a producer of cellulose she is one of the least important:

Comparison of production of unworked timber in various countries.

Country.	Production in 1,000 cubic metres.
Canada	86,563
Germany	49,000
Sweden	47,700
Finland	45,600
Roumania	20,848
Poland	17,000
Czechoslovakia	14,600
Austria	9,523
Norway	9,000

Comparison of the cellulose production of different countries.

Country.	Production of cellulose in 1,000 metric tons.
Canada	3,298
Sweden	2,945
Germany	1,934
Finland	1,568
Norway	982
Austria	335
Czechoslovakia	325
Poland	122
Roumania	50

(The above figures regarding Cellulose are based on international statistics and cover production of both chemical and mechanical pulp.)

Czechoslovakia's backwardness as a producer of cellulose is well illustrated by the following index, which compares the extent to which timber is utilised in different countries, i.e., an index of the relationship between the quantity of timber actually felled and the output of cellulose:—

Country.	Index of intensity of utilisation of timber.	The same index reduced to the base of Czechoslovakia :
Norway	1,090	49.5
Sweden	617	28.0
Germany	395	18.0
Canada	381	17.8
Austria	352	16.0
Finland	344	15.6
Czechoslovakia	22	1
Poland	7	0.3
Roumania	2	0.1

On this basis of comparison Czechoslovakia a poorer showing than any country, except Poland and Roumania. Hence, in the exploitation of this raw material, which is one of those with which Czechoslovakia is most richly endowed, she is practically no further advanced than certain other countries whose economic structure is fundamentally different from her own and much less developed.

A comparison of the foreign trade of the principal cellulose and paper producing countries shows how Czechoslovakia fails to utilise her timber resources. Of Czechoslovakia's total export of timber no less than 83.5 per cent. is exported in the form of unworked material. This proportion greatly exceeds the corresponding figure of any other country.

Country.	Total export in cubic metres.	Export of unworked timber in cubic metres.	Proportion of unworked timber export of total export. Per cent.
Sweden	4,434,276	275,686	6.5
Yugoslavia	864,470	110,846	13.0
Roumania	1,893,625	336,507	18.0
Norway	267,917	68,283	26.0
Poland	2,911,584	849,878	29.0
Lithuania	347,628	136,141	39.0
Finland	267,917	68,283	26.0
Estonia	2,911,584	849,878	29.0
Latvia	1,224,417	568,483	46.0
Austria	2,260,014	1,088,076	48.0
Soviet			
Russia	10,572,364	5,422,132	51.5
Czechoslovakia	2,322,562	1,939,386	83.5

The Czechoslovak paper-making industry has not been able to obtain due recognition in proper quarters of the sound principle that raw materials which are so abundantly available should be processed at home and exported as finished goods in the greatest possible degree. In order to curtail the

export of pulping timber the Association of this branch of industry opposed the uncontrolled export of that material and successfully worked for an increase in the felling quota in order to make larger supplies available for home consumption. Owing to this action negotiations with Germany respecting Czechoslovakia's export of timber were suspended before Czechoslovakia had given undertakings which would have led to a serious depletion of the supplies of timber available for the Czechoslovak industry, and an appreciable reduction was subsequently made in the quota for the export of pulping timber to Germany. The following table shows Czechoslovakia's exports of paper, millboard, and cellulose in 1935-36:

	Export in metric tons.		Percentage change in
	1935.	1936.	1935-1936.
Newsprint	3,405	7,861	+130.9
Graphic paper and blotting paper . .	7,874	9,889	+27.2
Packing including real greaseproof papers	18,570	18,379	-1.0
Tissue paper and cigarette paper . .	1,682	1,628	+3.3
	<u>31,431</u>	<u>37,757</u>	<u>+20.1</u>
Cellulose	91,434	109,663	+19.9
Millboard	1,104	958	-13.3

There was no material change in Czechoslovakia's import of paper from 1935 to 1936, but a considerable increase occurred in imports of cellulose. Even so, the import of cellulose in 1936 did not represent much more than 2.5 per cent. of Czechoslovakia's total production of cellulose.

Czechoslovakia's Import of Paper, Millboard and Cellulose.

	In metric tons.		In 1,000 Kc.	
	1935.	1936.	1935.	1936.
Paper	3,931	3,919	13,109	13,196
Cellulose	4,672	6,279	7,377	10,702
Millboard	579	667	2,190	2,823

III.

The expansion in the internal and export demand for pulping timber led the Czechoslovak authorities last year to raise the felling quota to 100 per cent.; but there is no danger in this country that supplies of pulp will be exhausted by overcutting of coniferous wood.

ESTONIA.

The Pulp Industry.

The Estonian State owns about 80 per cent. of the forests in Estonia which consist largely of coniferous wood. The area in hectares owned by the State is equal to about 73,000 hectares; by farmers—128,000 hectares; settlers—32,000 hectares; municipal authorities—13,000 hectares and industrialists—13,000 hectares, making a total of about 930,000 hectares.

In 1920 the Government registered 85 administrative forest districts. In 1928—107; and in 1925—110. On April 1st, 1931, the number declined to 102 districts. Of the State forests area in 1935 pine forests covered 42 per cent., spruce forests, 29.2 per cent., and various deciduous leaved forests—29 per cent. in which birch predominates.

The average yield capacity of the timber is estimated at about 25 per cent. above the present gross increment. Pine forests account for 37·3 per cent., spruce—34·2 per cent., birch—23 per cent. The yield capacity of the entire forest area of 930,000 hectares would thus yield about 4,000,000 cubic metres. In 1935 the total annual felling area was 6,274 hectares or 0·9 per cent. of the area under State forests.

The area newly cultivated in recent years represents about 40 per cent. of the cutting quota.

Table showing area under administration of the Department of State Forests, in hectares.

—	1935.	1933.	1929.	1926.	1924.	1921.
Forests . . .	648,584	668,469	675,049	678,252	674,440	702,343
Clearings . .	42,982	41,313	44,371	53,223	49,680	20,775
Openings . . .	9,526	10,982	17,045	16,904	19,280	34,916
Total forest area.	701,092	720,764	736,466	748,469	743,400	758,034
Fields . . .	10,246	11,757	12,304	12,737	13,170	..
Meadows . . .	30,453	29,540	32,133	32,381	32,890	..
Pastures . . .	5,132	4,734	4,976	5,490	5,720	..
Total . . .	45,831	46,031	49,413	50,608	51,780	45,698
Marshes and swamps.	319,073	317,144	319,774	319,246	322,700	..
Other waste lands.	38,271	32,659	21,576	19,915	9,300	..
Total waste lands.	357,344	349,803	341,350	339,161	332,000	268,839
Classification unknown.	1,772	..	..	..	..	..
Grand total . .	1,106,039	1,112,828	1,127,228	1,138,238	1,127,180	1,072,571

In the course of the last 15 years, the forest area has decreased by about 57,000 hectares or 8 per cent. of the total present area cultivated under forests.

Relationship between forest increment and felling average for 1924-1934.

	Forest area Ha.	Increment m 3 solid.	Dead Timber in m 3 solid.	Net increment.		On average felled annually.		Difference (+) (-) m 3 solid.
				m 3 solid.	Per- centage.	m 3 solid.	Per- centage.	
State forests for special purposes	14,000	40,000	5,000	35,000	1.0	25,000	0.6	+10,000
State forests	730,000	2,500,000	300,000	2,200,000	65.7	2,210,000	51.4	-10,000
Forests of settlers and state lease- hold farms.	32,000	1,05,000	5,000	1,00,000	3.0	900,000	20.9	-800,000
Farm forests	128,000	420,000	30,000	390,000	11.7	450,000	10.5	-60,000
Municipal forests	13,000	45,000	5,000	40,000	1.2	40,000	0.9	..
Forests owned by industrial enter- prises.	13,000	40,000	5,000	35,000	1.0	75,000	1.7	-40,000
Total forests	930,000	3,150,000	4,350,000	2,800,000	83.6	3,700,000	86.0	-900,000
Percentage	..	112.5	12.5	100.0		182.2		37.2
Trees on meadows and pastures	..	600,000	50,000	550,000	16.4	600,000	14.0	-50,000
Grand total	930,000	3,750,000	400,000	3,350,000	100.0	4,300,000	100.0	-950,000
Percentage		312.0	12.0	100.0		128.6		28.6

A table showing the average yearly timber balance gives an idea of the felling and consumption of timber.

	Saw-Timber m 3 solid.	Firewood (Billet-wood, faggot and stumps) m 3 solid.	Total m 3 solid.	Per- centage.
Felling in forests within net increment	1,150,000	1,650,000	2,800,000	63.6
Excess felling in forests	400,000	500,000	900,000	20.5
Total cut	1,558,000	2,150,000	3,700,000	84.1
Average per ha of forest land	1.87	2.31	3.98	
Within net increment	50,000	500,000	550,000	12.5
Excess felling	50,000	...	50,000	1.1
Total	100,000	500,000	600,000	13.6
Total felling	1,650,000	2,650,000	4,300,000	87.7
Per 1 inhabitant	1.47	2.35	3.82	
Volume corresponding to quantity imported	100,000	...	100,000	2.3
Total turnover	1,750,000	2,650,000	4,400,000	100.0
<i>Consumption:</i>				
Buildings	550,000	...	550,000	12.5
Furniture and wood for household uses	90,000	...	90,000	2.1
Sleepers, telephonic poles, and construction of bridges	60,000	...	60,000	1.4
Manufactured articles and paper	50,000	...	50,000	1.1
Fuel for industry and railways . . . . .	...	400,000	400,000	9.1
Firewood . . . . .	...	2,250,000	2,250,000	51.1
Total domestic	750,000	2,650,000	3,400,000	77.3
Consumption per 1 inhabi- tant	0.67	2.35	3.02	...
For manufacturing of ex- port articles	100,000	...	100,000	22.7
Total turnover	1,750,000	2,650,000	4,400,000	100.0

With regard to pulp production in Estonia the following table recently published in the Monthly Review of the Estonian Institute of Economic Research may be of interest:

Cellulose produced (in tons).			Quantity of timber used in cubic metres.
	Chemical	Mechanical	
1936 . . .	69,806	15,000	...
1935 . . .	71,499	15,329	493,241
1934 . . .	70,551	15,412	490,446
1933 . . .	65,428	12,502	433,382
1932 . . .	60,914	15,110	448,115
1931 . . .	67,660	15,264	507,836
1930 . . .	56,253	17,682	436,109
1929 . . .	50,205	17,626	410,729
1928 . . .	40,310	21,570	363,611
1927 . . .	25,832	19,553	221,293
1926 . . .	14,100	18,322	173,469
1925 . . .	16,268	18,920	204,267
1924 . . .	13,339	15,865	168,165
1923 . . .	9,625	9,362	121,728
1922 . . .	7,281	11,097	97,500
1921 . . .	5,274	5,355	63,200
1920 . . .	3,215	5,183	46,300

The Government Sulphate Cellulose Mill at Kehra at present in course of construction, should be completed in 1938, and is calculated to maintain an annual output of 20 to 30,000 tons of easy bleaching sulphate.

About 85 per cent. of the total production amounting to about 70,000 tons is exported annually from Estonia. In 1934 the value of timber exports amounted to 35.8 per cent. of the total export value, the mean figure for the last ten years being 30.1 per cent. Boards, battens and deals account for 10 per cent. Cellulose and pulp 6.8 per cent.; paper 6 per cent.; plywood 4.5 per cent.; pit-props 1.5 per cent.; matches 0.7 per cent.; logs and sleepers 0.5 per cent. The average value of exports of cellulose within the half year of 1936 was 109 Estonian kronas per ton, and in 1937, 126 kronas per ton, an increase of more than 15 per cent.

The value of February, 1937, exports of cellulose amounted to 627,000 kronas. In February, 1938, the value increased to 833,000 kronas, an increase of 33 per cent. The quantity remained almost the same for the two years, viz., about 5,000 tons.

Information received from trade circles indicates that although timber prices are about 100 per cent. higher than last year, there is now a rapid decline in pulp prices of about £15 per ton in December, 1937, to below £9 to £11 per ton at the present time, with few buyers.

FRANCE.

Wood Pulp.

Wood pulp is the essential raw material of three-fourths of French factories and is used, either directly or indirectly, in the manufacture of 82 per cent. of French paper. Wood pulp represents 47 per cent. of total consumption and to this must be added the pulp which is obtained by the re-treating of old paper composed principally of wood pulp, to the extent of say 37 per cent. There are two methods of converting wood into pulp; the first is the mechanical process, which requires abundant and cheap motor-power, the other is by chemical means, involving th

extensive use of fuel, soda bisulphate and chlorine. Actually there are three kinds of pulp—mechanical, chemical and partly chemical.

Mills using wood pulp which are widely spread over the whole territory, may again be divided into those which make their own pulp and those (the greatest number) which simply transform imported pulp. It should be remarked that serious efforts are being made to develop the home production of pulp, wood, rag, alfa and other fabrics (broom, reed and straw).

Those mills using the pulp produced by cellulose-makers are set up in the Nord, on the banks of the Seine and of the water-courses covering upon Paris, and in the neighbourhood of sea-ports.

Paper production.

The dependency of the paper industry towards foreign countries has been the cause of an acute crisis during a few years. Imports of raw materials other than wood, and means for the manufacture of paper are shown by the following figures (in tons).

Wood pulp—

	1935.	1936.
Dry mechanical pulp	14,561	15,146
Wet mechanical pulp (dry weight)	86,225	116,891
Dry chemical pulp	346,527	362,583
Wet chemical pulp (dry weight)	38,885	59,672
Total	486,198	554,292
<i>Sundry materials—</i>		
Rags and snippers	84,621	111,785
Sundry rags (other than wool)	19,820	26,517

The principal sources of supply are Sweden, Norway, Finland and Germany.

Appropriated legal measures, chiefly the law of the 22nd of April, 1931, have partly removed the existing difficulties. It will be seen that the production of paper for newspapers has increased, from 338,000 tons in 1935, to 382,000 tons in 1936, prices having reached a stable level of 116 francs per quintal.

In consequence, import quotas, which were 47,000 tons for 1936, were reduced to 25,000 tons per annum for a period of 5 years, only exceptional circumstances having led to these quotas being maintained at 47,000 tons for the year 1937.

LATVIA.

According to official statistics regarding Latvian paper industries, the production of paper pulp is developing, as will be seen from the following figures relating to local output:—

	1936.	1937.
	Tons.	Tons.
Chemical wood pulp (sulphite cellulose)	20,000	26,681
Mechanical wood pulp	12,724	9,838

The prices obtained by local manufacturers for chemical pulp, however, are showing a decline. This is said to be due to overproduction by other countries, such as Canada, United States of America and the Scandinavian countries, and accordingly Latvian exporters are said to be experiencing difficulties in keeping up their prices.

It is understood from Messrs. Baltijas Celluloses Fabrika A/S of Riga, who are the only exporters of chemical pulp, that, whereas some six months ago they sold dry, unbleached pulp at the cost of £14-£15 per ton f.o.b. Riga, now they are unable to obtain offers for £6 per ton.

The Latvian authorities maintain that the supplies of coniferous wood suitable for pulp manufacture are sufficiently large to satisfy local requirements and export demand, and that there can be no question of exhaustion of such supplies by over-cutting.

(4) Letter No. T. 18-31-1, dated the 28th April, 1938, from the High Commissioner for India, Trade Department. London.

Subject:—PAPER AND PAPER PULP INDUSTRIES.

In continuation of this Office letter, dated the 19th April on the above subject, I am now directed to forward, for the information of the Tariff Board, further information on this subject relating to Lithuania which has been obtained through the Indian Government Trade Commissioner Hamburg.

LITHUANIA.

Supply of Wood Pulp.

There is one Lithuanian factory producing wood pulp (chemical) situated at Memel. Its present capacity is about 60,000 tons per annum, but extensions now in progress are calculated to increase output, perhaps this year, by 10 per cent. The factory depends almost entirely on foreign markets, less than 1½ per cent. of the output being sold on the domestic market. Output in recent years has been:

	Tons.
1931	39,300
1934	56,093
1935	53,957
1936	60,800

Exports in past years have been:

Year.	Tons.	Million Lits.	Lits per ton.
1928	47,880	27.0	564
1929	60,781	38.3	631
1930	53,898	32.6	605
1931	36,173	21.1	583
1932	39,384	19.4	492
1933	47,750	15.8	330
1934	57,334	14.6	254
1935	52,190	10.3	197
1936	57,206	10.6	185

No stocks of pulp are held, production being regulated to meet contracts made a year in advance.

The export figures reflect: (1) the effect on output in 1931-33 of the world crisis; (2) the effect on the amount realised by the fall in prices abroad and by the devaluation of the pound and the dollar. The chief markets for Lithuanian pulp are the United Kingdom and the United States of America and since Lithuania has not depreciated her currency, the Memel factory has been at a disadvantage in recent years compared with its competitors in Scandinavia, where currencies have been inflated.

Membership of the Sulphite Pulp Suppliers' Convention does not at present affect the Memel Factory, output being unrestricted and market prices above the fixed minimum. It is understood that the output for last year was sold at about £7.10 per ton, but that contracts for 1938-39 are for about £14 per ton.

Lithuania has an export surplus of timber for pulping. Exports in recent years have been:

Year.	Germany. Tons.	Sweden. Tons.	Holland. Tons.	Total. Tons.
1934	134,464	...	...	134,464
1935	120	...	...	120
1936	29,125	19,095	239	48,459
1937 (6 months)	1,025	...	8,645	9,670

Germany was the only purchaser until 1934, but since last year Sweden and Holland have made purchases, for the first time, in Lithuania.

12. Collectors of Customs.

A.—WRITTEN.

(1) *Circular letter No. 15, dated the 5th January, 1938, from the Tariff Board to the Collectors of Customs, Calcutta, Madras, Bombay and Karachi.*

I am directed to refer you to the Government of India, Department of Commerce, Resolution No. 202-T. (1)/36, dated the 11th December, 1937, and to ask that you will be good enough to furnish the Board with a brief account of the tests which are applied to distinguish writing and printing paper and also to determine the quantity of mechanical wood pulp in printing paper.

2. I am also to enquire:—

(1) how has the new classification of paper worked?

(2) are any new tests under consideration such, for example, as a "Sizing" test?

A statement of the number of disputed cases and cases which went up on appeal may also be furnished.

3. Reply (with 4 spare copies) may kindly be sent not later than January 31st addressed to the Secretary, Tariff Board, No. 1, Council House Street, Calcutta.

(2) *Letter R. O. R. No. 23/38-Co., dated the 18th January, 1938, from the Collector of Customs, Madras.*

I have the honour to refer to your letter No. 15, dated the 5th January, 1938:

2. The tests applied to distinguish writing from printing paper are of two kinds, viz.:—

(1) The "penetration" test for determining the extent of sizing. This is carried out in the Laboratory as follows:—

A piece (about 1" square) of the paper to be tested is evenly sprinkled with a small quantity of finely powdered potassium ferrocyanide and floated on the surface of a 5 per cent. ferric chloride solution. The degree of sizing (which is indicative of the suitability of the paper for writing purposes) is determined by the time taken for the solution to penetrate the paper and, by chemical action, to change perceptibly the colour of the ferrocyanide powder. If the time taken is 25 seconds or less the paper is taken to be soft sized and assessed as printing paper; where that limit of time is exceeded, the paper is considered hard-sized and assessed as writing paper. The "writing" test (mentioned below), is also used in the Laboratory for corroborative purposes.

Where there is a definite doubt, the present orders require that the case should be referred to the Special Chemical Adviser to the Central Board of Revenue for test in the Control Laboratory.

(2) *Rough tests* based on the physical characteristics of the paper. These are:

(a) *The 'writing' test.*—The paper is written upon, and if it is found that the ink does not soak into the paper or does not spread or blur at the edges of the ink lines, the paper is regarded as writing paper. Whenever this test is carried out in the Laboratory an ordinary pen with a relief nib and/or

a fountain pen with a medium nib is used in conjunction with ink made of the following ingredients:—

	Gms.
Tannic acid (dry)	23.4
Gallic acid (xals)	7.7
Ferrous sulphate	30.0
Dilute hydrochloric acid (10 per cent.)	25.0 c.c.
Phenol	1 Gm.
Blue dye (colour index No. 707)	3.5

Water to make up to 1,000 c.c.; allowed to settle and decanted from any sediment.

(b) *Appearance, touch, etc.*—While invoiced description, size of sheets, value, etc., are fairly indicative of the class of the paper, writing paper is distinguishable usually in that it is slightly stiff and rough to the touch. Printing paper on the other hand has a greater pliability and usually a smoothness of surface akin to calendering or glazing.

These tests are necessary, and are applied, only in those cases where the paper is described in the relative invoice and in the bill of entry in a manner indicative of a lower rate of import duty. The rough tests alone are resorted to where the paper imported is of a kind sufficiently well-known to render its classification for tariff purposes obvious and unquestionable.

In regard to the determination of the mechanical wood pulp content, the test applied is that described in Appendix II at page 46 of the Report of the Indian Tariff Board—1936. The Tariff Board did not consider it necessary to suggest the adoption of any other method—page 30 *ibid.*

2. In reply to question (1) in paragraph 2 of your letter I have to state that the new classification of paper has worked quite satisfactorily; as regards question (2), no new tests are at present under consideration, so far as I am aware.

There have been no disputed cases or appeals since the introduction in 1936 of the new classification of paper.

(3) *Letter No. 962, dated the 27th January, 1938, from the Collector of Customs, Calcutta.*

I have the honour to refer to your letter No. 15, dated the 5th January, 1938.

2. The new classification of paper has worked reasonably satisfactorily. There were a few cases of dispute with the trade during the period of transition but importers have gradually adapted themselves to the new position with the result that no serious protests have since been received.

3. Although no chemical tests are carried out in this office laboratory to distinguish between writing and printing papers, samples are tested to distinguish hard from the soft-sized paper by rough and ready method of writing thereon (*vide* Board's letter C. No. 522-Cus. 1/36, dated the 18th May, 1936). This test has been found to be more practical than the more elaborate scientific processes and no new tests are under investigation in this connection.

4. Although no administrative difficulties have so far been actually experienced after the introduction of the specific rates of duty with regard to the assessment of "glazed and unglazed" newsprint in reels, the distinguishing of the two varieties by mere superficial examination may present some difficulty in border-line cases.

5. Four copies of the note on the determination of mechanical wood pulp together with a statement of the disputed cases are enclosed for reference.

CENTRAL BOARD OF REVENUE.

PAPER ANALYSIS.

Determination of Mechanical Wood Pulp.

The weight Factor Method for Fibre Analysis.

(Spence and Krauss).

Tear a few small pieces about the size of a circle $\frac{1}{4}$ " diameter from different parts of the paper or pulp sample (widely separated if the sample is large). Suspend in a one per cent. solution of caustic soda and bring to the boil in a beaker. Drain off the solution; wash in the beaker with distilled water twice, draining off the water each time. Wash in a one per cent. solution of hydrochloric acid, then twice more with distilled water.

Roll the scraps of paper into a ball and work the ball between the fingers to loosen the fibres. Put the ball into a test tube (or glass stoppered cylinder or any other convenient vessel), place 10-20 glass beads or lead shot in the container and shake with distilled water until the fibres are well separated. Dilute the suspension to a consistence such that not more than four complete diameter lengths of fibres will appear on any one field. Denser fields are difficult to evaluate and tend to lessen the accuracy of the results. Shake the tube, insert a glass tube (6 mm. internal diameter and about 20 cm. long) to a depth of about 2 inches below the surface of the solution and carefully place one or two drops on a slide, dry with filter paper. (The excess of water is either driven off on a water oven or, to save time, the water is drawn off by placing the folded edge of a piece of filter paper on one side of the spread-out drop and carefully withdrawing the filter paper.) When the water has been drawn away, tease out any bundles or "knots". The stain is kept ready for use by previously mixing the two solutions Herzberg's A and B diluting the mixture with water or zinc chloride in such a way as to give a lemon yellow colour with mechanical wood pulp and blue to greenish blue with sulphite pulp. Two drops of this stain are placed on the dried fibres obtained above, and the whole then covered with a cover slip. A cross line micrometer divided into 10/10 mm. square is inserted into the diaphragm of the eye-piece and the slide of each square is taken as a unit. Measure the *lengths only* of the fibres in the field starting at one extreme corner of the slide, counting all the mechanical wood pulp in that line by the help of a moving stage until the other extremity is reached. A return trip is now made along the same line counting all the blue fibres. The slide is now shifted in the perpendicular direction by moving the mechanical stage and the fibres of each colour counted in the same way. Thus the whole of the slide is covered strip by strip, counting rigidly every fibre. An example of a slide counted in this way is given below:—

$$Y \ 16+50+43+52+75+29+35+29+18=347$$

$$B \ 32+19+46+40+66+47+17+16+16=299$$

The total length of each type of fibre multiplied by its weight factor gives the number of the fibres present and ratio is obtained on the total of these numbers as usual.

The weight-length factor of the two kinds of fibres are:—

Fibre.	Average weight factor.
Ground wood	1.325
Sulphite unbleached	0.738

The ratio between the density of Ground wood and unbleached sulphite fibres is 0.55 and thus sulphite fibres must always be multiplied by this factor before finding its percentage. The percentage of mechanical wood pulp in

the above example would be $\frac{347 \times 10}{347 + (299 \times 0.55)} = 67.83$ per cent.

Importer.	Bill of Entry No.	Nature of paper.	Price.	Custom House findings.
The Statesman, Ltd., Calcutta.	L-4452 of 22nd August 1936, Ex. S. S. 'Modasa'.	Mechanical printing paper in reeks containing not less than 70 per cent. mechanical wood pulp.	@ £15-10 per ton C. I. F.	"Sample contains more than 70 per cent. M. W. P. on the fibre content. It is reasonably hard-sized."
Bholanath Dutt & Sons, Ltd., Calcutta.	D. I.-2447 of 11th December 1936, Ex. S. S. 'Rinda'.	Unglazed white unsized Newsprint in flat sheets containing not less than 70 per cent. M. W. P.	@ £12 per ton C. I. F.	"Sample contains less than 70 per cent. M. W. P. after giving full allowances for inaccuracies in manufacture."
W. Newman & Co., Ltd., Calcutta.	D. I.-1729 of 10th June 1936, Ex. S. S. 'Velpi'.	Glazed Mechanical Hard-sized Printing in flat sheets containing more than 70 per cent. M. W. P.	@ £13-5 per ton C. I. F.	Being hard-sized it is writing paper.
*H. N. Pal	E-1970 of 7th September 1935. L-3490 of September 1935. L-3500 of September 1935. L-4587 of September 1935. L-3501 of September 1935.	.....	
*D. Mukherjee	L-4942 of September 1936. I-707 of October 1935.	Hard-sized printing paper.		

* N. B.—Owing to reconstruction of the Custom House Buildings, the records have however being made

Importers' contention.	Deciding authority.	Decision.
<p>"Not hard-sized" nor could it be described as "writing paper."</p>	<p>Government of India, Finance Department (Central Revenues) Customs Revision application No. 32 of 1937.</p>	<p>The Governor-General in Council, agrees with the Collector of Customs that in accordance with the tests which are at present made the paper in question is hard-sized. The Tariff Board realised that these tests are of a somewhat indeterminate nature and it would appear that the paper was ordered in good faith as qualifying for assessment under item 44 (2) of the tariff. The Governor-General in Council is accordingly pleased to direct that this particular consignment should be assessed under that item and that future consignments should be similarly assessed, if proved to the satisfaction of the Collector to have been ordered before the present date.</p>
<p>The paper contains more than 70 per cent. M. W. P.</p>	<p>Government of India, Finance Department (Central Revenues) Customs Revision application No. 103 of 1937.</p>	<p>The Central Government upheld the order passed by the Collector and rejected the application.</p>
<p>It is a printing paper and its ordinary use is for printing purposes.</p>	<p>Collector of Customs, Calcutta, Order No. 175, dated the 1st February 1937.</p> <p>Board's letter D. A. Dis. No. 536-Cus. I/36 of 5th June 1936.</p> <p>C. B. R. letter D. A. Dis. No. 460-Cus. I/36, dated the 13th April 1936. Revision application No. 40 of 1936.</p>	<p>The paper being hard-sized assessable under item 44 (3) of the Indian Customs Tariff in accordance with Government of India, Department of Commerce Resolution, Tariff No. 202-T. (3)—35, dated the 23rd May 1936.</p>

been removed and it will take some time to obtain the relevant papers; efforts are to trace them.

(4) *Letter C. No. 27/38, dated the 28th January, 1938, from the Collector of Customs, Bombay.*

I have the honour to refer to your letter No. 15, dated the 5th January, 1938.

2. I enclose herewith a copy of the Chemical Examiner's note, dated the 13th January, 1938, describing the various tests which are applied in this Custom House for distinguishing writing from printing paper and for determining the quantity of mechanical wood pulp in the latter.

3. The new classification of paper has worked satisfactorily, as it has been supplemented by the Government of India instructions on the subject embodied in their Resolution Tariffs No. 202-T. (3)/35, dated the 23rd May, 1936, *vide* this Custom House Tariff Ruling No. 221 of 21st October, 1936, (copy enclosed). The writing test applied for distinguishing hard and soft size paper has been found generally satisfactory by this Department, supplemented as it is occasionally by doing it under laboratory conditions. The trade, however, would prefer a more scientific test and has sometimes been unwilling to abide by decisions based on the present test.

There are no orders at present for determining the point where writing or printing paper of a particular thickness ceases to be writing or printing paper and becomes assessable as "cardboard" under item 44 of the Tariff.

4. A statement showing the number of disputed cases regarding the classification of writing and printing paper since the introduction of the new classification is enclosed.

Enclosure I.

Copy of the Chemical Examiner's note, dated the 13th January, 1938.

I describe below the tests in use in this laboratory for distinguishing writing paper from printing paper, and for determining mechanical wood pulp content of paper.

Test for distinguishing writing from printing papers.—Two tests are carried out for this purpose:—

- (a) the ferrocyanide test, and
- (b) an actual writing test.

(a) *The Ferrocyanic Test.*—A small amount of very finely ground (passing 90 mesh) Potassium Ferrocyanide is sprinkled over a small clean piece of the sample to be tested, and the paper is floated with the sprinkled side up, on a 5 per cent. aqueous solution of Ferric Chloride maintained at 85° F. At the same time a stop watch is started. The time it takes for a blue colour to appear on the upper surface is noted.

The Indian Paper Makers' Association has advocated that samples of paper which take more than 15 seconds should be regarded as writing papers.

This test is a measure of the resistance of the sample to penetration by an aqueous fluid. It depends on the degree of internal sizing, and the thickness of the sample of paper. But writing quality depends in addition very largely on the degree of surface sizing. It has been our experience that some samples of paper, which require more than 30 seconds for the penetration, show marked spreading when written on. So in actual practice, even though the penetration test is done, more reliance is placed on the results of the writing test.

(b) *Writing Test*.—The ink used for this purpose is made as follows:—

	Gms.
Tannic Acid	23.4
Gallic Acid	7.7
Ferrous Sulphate Crystals	30.0
Dilute Hydrochloric Acid (10 per cent. Solution)	25.0
Phenol	1.0
(Purest grade) Soluble A (Colour Index 707)	3.5
Water to make	1,000 c. c.

Using an ordinary steel pen lines are drawn with this ink on the paper under test, and for comparison on a sample of Badami paper (Government Stationery). The two papers are then examined to see whether any ink has penetrated to the other surface. The ink lines are then examined through a hand lens (about 10 magnification). If the lines on the sample have not spread or become blurred more than those on the Badami paper, and if there is no sign of penetration on the back side, the sample is reported to be a "writing paper".

The test as carried out gives a reasonably correct idea of the writing quality. There is, however, room for standardising and improving the test.

During the last two years only 12 samples were tested in the laboratory to see whether they were writing papers. Of these 6 were passed as writing papers and 6 not.

Determination of mechanical wood pulp in paper.—This is done by the Spence and Krauss weight-length-factor microscopic method. It has been described fully in Appendix II of the Tariff Board Report of 1935-36. There has been no alteration since.

Regarding paragraph 2 (2) of the Tariff Board letter, there are various known tests for determining the sizing of the paper but the 'writing test' may suitably be standardised for our purpose.

Enclosure II.

No. 221.

New Custom House,
Bombay, 21st October, 1936.

TARIFF RULING.

Paper—Classification and assessment of—.

Paper should be classified and assessed to duty as under:—

Description of paper.	Particulars.	Classification.	Tariff item.	Remarks.
1. Machine glazed Pressings, Wrappings and Cover paper.	(a) Weighing over 24 lbs. demy (85.2 grammes per square meter).	Printing paper.	44 (2)	Chemical Examiner's test to confirm that the paper contains more than 70 per cent. Mechanical wood pulp is essential. The question of test does not arise.
	(b) Weighing 24 lbs. demy and below.	Paper, other sorts.	44	

Description of paper.	Particulars.	Classification.	Tariff item.	Remarks.
2. Cartridge Paper including white drawing cartridge paper.	(a) Below 24 lbs. demy.	Printing paper.	44 (1)	The paper being wood free the question of test does not arise.
	(b) 24 lbs. demy and over.	Paper, other sorts.	44	
3. Unglazed thin news coloured.	(a) Other than deep blue over 10 lbs. demy.	Printing paper.	44 (1)	Chemical Examiner's test to confirm that the paper contains less than 70 per cent. Mechanical wood pulp essential.
	(b) Other than deep blue below 10 lbs. demy.	Paper, other sorts.	44	
	(c) Deep blue paper and paper of other colours of 16 lbs. demy and below.	Paper other sorts.	44	
	(d) Blue packing paper.	Packing paper other sorts.		
	(1) Not over 24 lbs. demy.	(Machine glazed pressings).	44	
	(2) Over 24 lbs. demy.	Printing paper.	44 (1) or 44 (2)	
4. Unglazed thin white buff and badami.	(a) above 7½ lbs. demy. (26.6 Grms. per square meter).	Printing paper.	44 (1)	According to the percentage of mechanical wood pulp contents.
	(b) 7½ lbs. demy and below.	Paper other sorts.	44	
5. Duplicator paper.	(a) Hard-sized duplicator paper.	Writing paper.	44 (3)	
	(b) Soft-sized duplicator paper.	Printing paper.	44 (1)	

Description of paper.	Particulars.	Classification.	Tariff item.	Remarks.
6. Mechanical paper white buff or badami.	(a) Hard-sized	Writing paper.	44 (3)	The test to be applied in deciding whether a paper is hard or soft sized is the rough and ready method of scribbling with ink on the paper. If the ink does not spread on the paper, and takes time to dry, it is hard-sized, but if the ink spreads on the paper and does not dry quickly it is soft-sized.
	(b) Soft-sized—			
	(1) Over 7½ lbs. demy.	Printing paper.	44 (1)	
	(2) 7½ lbs. demy and below.	Paper other sorts.	44	

2. Tariff valuation fixed for Machine Glazed Pressings—

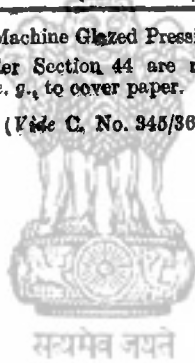
Wrapping paper falling under Section 44 are not applicable to Machine Glazed Pressings—falling under 44 (2), e. g., to cover paper.

(Vide C. No. 345/36.)

(Sd.) R. K. NEHRU,

Offg. Collector of Customs.

Dated 23rd October, 1936.



Enclosure III.

Statement showing the number of disputed cases regarding the classification of writing and printing paper.

Sl. No.	Name of Importer.	Particulars of consignment.	Tariff item under which assessment was made.	Tariff item under which assessment was claimed.	Collector's order in appeal.	Remarks.
1	Messrs. J. B. Advani & Co., Ltd., Bombay.	6 bales duplicating printing paper imported on 11th June, 1935.	As 'writing paper' under item 44 (3).	As stationery under item 45.	Confirming assessment as hard-sized under item 44 (3) as writing paper.	
2	Messrs. Mojilal & Co., Bombay.	18 bales white printing paper imported on 30th May, 1935.	As printing paper under item 44 (1), as on test it was found to contain less than 70 per cent. Mechanical Wood Pulp.	On the Tariff Value of one anna one pie per lb. under item 44 (2).	Confirming assessment under item 44 (1).	
3	Messrs. M. F. Wadia & Co., Bombay.	14 bales Machine-glazed pressing paper imported on 29th June, 1936.	As printing paper under item 44 (1), as on test it was found to contain less than 70 per cent. Mechanical Wood Pulp and being machine-glazed of substance over 24 lbs. demy.	Item 44 . . .	Ditto	The Collector's decision was upheld by the Government of India on revision.

Messrs.	Stationery	Nature	Machine-glazed	Ditto	Do.	Ditto.
Messrs. Mart.	19	bales	Machine-glazed	Ditto	Do.	Ditto.
Messrs. E. Najmudin & Co., Bombay.	5	13 bales	Machine-glazed reddish brown packing paper imported on 30th July, 1936.	Ditto	Do.	Ditto.
Messrs. Volkart Bros., Bombay.	6	8 bales	grey mechanical cartridge paper imported in July, 1936.	Item 44 (1)	Item 44 (2)	Ditto.
Messrs. Ebrahim Mulls Mahomedally Mulls, Bombay.	7	13 bales	Machine-glazed blue packing paper imported on 17th August, 1936.	As printing paper under item 44 (1), as on test it was found to contain less than 70 per cent. Mechanical Wood Pulp and being machine-glazed of substance over 24 lbs. demy.	Item 44	Ditto.
Messrs. Standard Paper Co., Bombay.	8	21 bales	printing paper imported on 23rd November, 1936.	Item 44 (1)	Item 44 (2)	Ditto.
Messrs. John Dickinson & Co., Ltd.	9	13 bales	glazed drawing cartridge paper imported on 3rd August, 1936.	As writing paper under item 44 (3) (b).	Item 44	Confirming assessment under item 44 (3) (b).

The Collector's orders were upheld by the Central Board of Revenue.

(5) Letter No. C. 68/38, dated the 9th February, 1938, from the Collector of Customs, Karachi.

I have the honour to refer to your letter No. 15, dated the 5th January, 1938.

2. For revenue purposes, printing paper is classified under two sub-heads, viz. :—

- (a) Paper in which mechanical wood pulp is less than 70 per cent.;
- (b) where mechanical wood pulp is not less than 70 per cent.

The rate of duty for printing paper of the first kind is the same as that for writing paper all other sorts, viz., As. 1-3 per lb. The necessity of applying any test to this class of printing paper does not therefore arise. For correct classification, reliance is placed mainly on the invoice description and the trade usage. In the other case laboratory test is the deciding factor. I enclose a copy of the notes by the Chemical Examiner describing the tests applied in the laboratory to determine the percentage of mechanical wood pulp.

3. The classification of paper in accordance with the executive instructions appended to Government of India, Commerce Department, Resolution (Tariffs) No. 202-T. (3)/35, dated the 23rd May, 1936, has been found to work satisfactorily.

4. It was stated in letter No. C-522-Cus.-I./36, dated the 19th June, 1936, from the Central Board of Revenue (copy enclosed) that the question of scientific tests to decide whether a paper is "hard-sized" would be taken up. No further reference on the subject has been received from the Central Board of Revenue. The Chemical Examiner at this Custom House states that the "sizing test" referred to in his note has been found to be satisfactory, but he is studying a number of other tests with a view to making it more sensitive.

5. Since the introduction of the new classification there were only two disputed cases, one regarding mechanical wood pulp content and the other regarding classification. No cases went up to the Central Board of Revenue or the Government of India on appeal.

6. The delay in replying to your letter is regretted.

Enclosure I.

Copy of notes from the Chemical Examiner, Karachi, Custom House, dated the 19th January, 1938.

A. C. A.—The percentage of mechanical wood pulp is estimated by the method of Spence and Krauss. The total length of the mechanical wood fibres and that of the other fibres having been determined, the latter is multiplied by 0.55 (as equal lengths of the different types of fibres do not represent equal weights. The factor 0.55 denotes the density of the sulphite pulp with respect to the density of the M. W.-P. as unit).

The result is then expressed in percentage.

To decide whether a sample is writing paper or printing paper, the sizing test introduced by Mr. B. K. Mukhopadhyaya is resorted to.

Finely powdered Potassium Ferrocyanide is sprinkled over a small piece of the paper. The under surface of the paper is carefully placed over a solution of Ferric Chloride (100 c.c. solution containing 5 Gm. Anhydrous Ferric Chloride and 1 c.c. (Con.) Hydrochloric acid) and immediately a stop-watch is started. The moment a blue spot develops due to the penetration of the Ferric Chloride solution and its interaction with the Ferrocyanide, the time is noted. If the spot develops within twenty seconds the sample is considered as soft-sized and if otherwise it is taken as hard-sized.

Enclosure II.

Copy of letter C. No. 522-Cus. 1/36, dated the 19th June, 1936, from the Central Board of Revenue to the Collector of Customs, Karachi.

PAPER--WRITING PAPER--"HARD-SIZED" DUPLICATOR, WHITE, BUFF AND
BADAMI PAPER.

Please refer to your express letter R. No. 665/36-Cus.-Co., dated the 8th June, 1936. Paragraph 1 (i) of the Appendix to Commerce Department Resolution No. 202-T. (3)/35, dated the 23rd May, 1936, does not differentiate between paper sized in varying degrees, as the degree of sizing is not in itself a conclusive test. The Board has not yet considered any specific scientific tests to decide whether a paper is "hard-sized", and the question will shortly be taken up. For the present, the rough and ready methods now in use at the Custom Houses (which are described in paragraph 21 on page 25 of the Tariff Board's Report) should continue to be applied.

(6) *Demi-official No. 174, dated the 9th February, 1938, from Rai Sahib H. C. Sen, Secretary, Tariff Board, to G. N. Bower, Esq., B.A., Collector of Customs, Calcutta.*

I am desired to send herewith for your information, a copy of the replies* to questionnaire submitted by the Calcutta Paper Import Association. The Board would like to have discussion with you on points raised in reply to questions 11 & 12, on a date next week, which will be communicated to you later on.

(7) *Demi-official No. 1035, dated the 16th February, 1938, from G. N. Bower, Esq., B.A., Collector of Customs, Calcutta.*

Your D.-O. No. 174, dated the 9th February, 1938.

2. I enclose my notes on the replies to Questions 11 and 12.

.. We shall come on Friday the 18th instant at 10. 30 as requested.

Re. Question 11. The subject of weight was fully considered by the Central Board of Revenue in 1928-29 and Board's Instruction (Customs) No. 1 of 1929, dated the 25th March, 1929, was issued (copy enclosed).

As regards uniform assessment at all ports, Section 30 (a) of the Sea Customs Act defines market value "at the time and place of importation". It frequently happens therefore that the local market value at Calcutta may differ considerably from that at, say, Bombay. The Association appears to request that tariff values may be fixed for many more items (at present there are tariff values only for Machine-glazed pressings; Manilla, etc.; Kraft, etc.; Strawboards; and old newspapers). Such tariff values are fixed annually by the Director General of Commercial Intelligence after taking into consideration the values at the chief ports for the previous year and after consulting the trade. The extension of such tariff values would, however, not necessarily result in all other items being assessed on invoice value, i.e., under Section 30 (b), Sea Customs Act, as it might happen that a wholesale market value might arise during the year.

Re. Cartridge paper. This apparently refers to a consignment of Messrs. John Dickinson & Co. The Central Board of Revenue ruled that in the case of cartridge paper the criterion of substance is the only one which should be applied (copy enclosed) and this ruling is now followed.

* Printed at the back along with other representations from the Calcutta Paper Import Association, Calcutta.

There is no objection from the Customs point of view to adopting the "grams. per sq. meter" designation.

The word "chrome" used in item No. 44, Indian Customs Tariff, is a mistake and should read "chromo".

Re. Question 12. The Association's reply so far as the tests are concerned agrees with the evidence already given by me (*vide* pages 2, 3 & 4 of my evidence). As regards the differentiation between glazed and unglazed paper the distinction is really between "unglazed" and "Other sorts" (*vide* pages 7 to 10 of my evidence and copies C & D).

Enclosure I.

Board's Instruction (Customs) No. 1 of 1929.

PAPER—WEIGHT—ASSESSMENT TO DUTY OF, BY—METHOD OF ASCERTAINING WEIGHT.

When paper, which is liable to be assessed by weight either to a specific duty or under a tariff valuation, is covered both by an invoice showing nominal weight and by a weight specification, it should be assessed on the net specification weight, provided that the specification weight and the result of check-weightment do not differ from the *nominal* weight or from one another by more than 5 per cent.

2. If there is no weight specification, or if the proviso to the preceding paragraph is not satisfied, the assessment will be made as follows:—

- (a) *Printing and wrapping paper dutiable on a tariff valuation.*—Assessment will be made on the actual weight as ascertained by the weightment of such quantity as is necessary in order to arrive at a fair estimate.
- (b) *Printing and writing papers liable to specific duty.*—Assessment will be on the nominal weight, provided that the result of check-weightment does not differ from the nominal weight by more than 5 per cent.

3. Where there is a specification, showing gross and net weights, check-weightments should as far as possible be made gross, although Customs-Collectors must retain the discretion to have net weightments made if they think it necessary to check the tare declared in the specification.

Enclosure II.

Letter D. Dis. No. 1511-Cus. I./36, dated the 21st January, 1937, from the Central Board of Revenue to the Collector of Customs, Calcutta.

With reference to your letter No. 678, dated the 4th of November, 1936, I am directed to state that in the case of cartridge paper the criterion of substance is the only one which should be applied.

- (6) *Letter No. 219, dated the 18th February, 1938, from the Tariff Board to the Collector of Customs, Bombay.*

I am directed to say that it is reported that Japanese wood free printing paper are being imported into Bombay and that in 1936-37, in some cases, the price of such papers was as low as 3 annas a pound. I am to enquire whether the statement made is correct and if so, whether the price is c.i.f. or is inclusive of duty and other landing charges.

An early reply is solicited.

- (9) *Circular letter No. L. 1/T. B., dated the 22nd February, 1938, from the Tariff Board to the Collectors of Customs, Bombay, Calcutta, Madras and Karachi.*

I am directed to request you to be so good as to supply the Tariff Board at an early date with the latest prices of protected papers.

- (10) *Letter C. No. 279/38, dated the 25th February, 1938, from the Collector of Customs, Bombay.*

I have the honour to refer to your letter No. 219, dated the 18th February, 1938.

2. It is reported that Japanese wood free printing paper is imported here chiefly by Messrs. K. Chandrabhoy & Co., and Messrs. Mitsui Bushan Kaisha and that, during 1936-37, it was invoiced at from 1150 Yen to 1315 Yen c.i.f. or 1 anna 6 pies to 1 anna 7 pies per lb., exclusive of duty. Accordingly, the landed cost, inclusive of duty and other charges, works out to about 3 annas per lb.

3. The present invoice price is 179 Yen per lb. or 2 annas 2 pies per lb. with the addition of 1 anna 3 pies per lb. as duty, the landed cost works out to 3 annas 5 pies per lb.

- (11) *Letter S. No. 5-13/38-C., dated the 3rd March, 1938, from the Collector of Customs, Bombay.*

I have the honour to refer to your letter No. L. 1/T. B., dated the 22nd February, 1938, and to furnish below the latest prices of protected papers:—

	Per ton.
	£ s.
Wood-free Cream laid writing paper	29 0
Ledger paper	30 0
Bank paper	32 0
Imitation Art	30 5
Account book paper	27 5
Printing paper containing less than 70 per cent. Mechanical Wood Pulp	28 0

- (12) *Letter No. 1109, dated the 9th March, 1938, from the Collector of Customs, Calcutta.*

PROTECTED PAPERS—LATEST PRICES.

I have the honour to refer to your letter No. L. 1/T. B., dated the 22nd February, 1938.

2. A statement showing the latest prices of protected papers is enclosed.

Latest Prices of Protected Papers.

Name of paper.		Continental prices. Per ton C. I. F.	British prices.
		£. s. d.	£. s. d.
Cream laid	Writing.	29 0 0 to 30 0 0	About 2 0 0 per ton Extra.
Cream wove		Ditto.	Ditto.
Bank		29 0 0 to 32 0 0	About 36 0 0 to 38 0 0 per ton c. i. f.
Bond		Ditto.	Ditto.
Azure laid		32 10 0 to 33 0 0	About 1 10 0 to 2 0 0 per ton Extra.
Azure wove		Ditto.	Ditto.
White Printing M/F.	Printing.	28 0 0	Ditto.
White Printing S/C.		28 10 0 to 29 0 0	Ditto.
Imit. Art White Printing (Wood-free)		29 0 0 to 30 0 0	..
Imit. Art Coloured Printing (Wood-free)		30 0 0 to 31 0 0	..
Antique laid		28 0 0 to 29 0 0	..
Antique wove		Ditto.	..
White Cartridge		25 10 0 to 26 0 0	..

(13) *Letter C. No. 441/38, dated the 9th March, 1938, from the Collector of Customs, Karachi.*

As requested in your letter No. L. 1/T. B., dated the 22nd February, 1938, I have the honour to enclose a statement showing the latest prices of protected papers.

Latest Prices of Protected Papers.

Indian Customs Tariff Serial No.	Tariff description.	Description of paper.	Size and weight per ream of substance.	Country of origin.	Landed cost per ton.	Market price per ton including duty.
44(1) .	Printing paper (excluding chrome, mar- ble, flint, poster and stereo), all sorts which contain no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 70 per cent. of the fibre content.	(1) Glazed white wood free " 555 " unrulled. (2) Super-calendered printing paper.	12 × 17½—16 lbs. 20 × 30—44 lbs.	Holland Sweden	Rs. 396 Rs. 415	Rs. 572 Rs. 630
44(3) (a) .	Writing paper— (a) Ruled or printed forms (including letter paper with printed headings) and account and manuscript books and the binding thereof.					
44(3) (b) .	(b) All other sorts	(1) Cream-laid fools- cap with water-mark Dragon. (2) White glazed ac- count book paper. (3) Mechanical white laid manifold Bank paper. (4) Bond paper C. L. M. rubber-marked "Skage rack".	13½ × 16½—8 lbs. 26 × 28—46 lbs. 13½ × 16½—9 lbs. 18 × 23—20 lbs.	Holland Austria Do. Sweden	Rs. 380 Rs. 450 Rs. 510 Rs. 450	Rs. 560 Rs. 630 Rs. 700 Rs. 630

Prices are not available as articles falling for assessment under this sub-item do not conform to a standard description in trade.

(14) *Circular letter No. 275, dated the 15th March, 1938, from the Tariff Board, to the Collectors of Customs, Calcutta, Bombay, Madras, Karachi.*

I am directed to request you to furnish the Tariff Board with statements showing:—

- (1) the qualities, kinds and prices of paper imported from Japan during the last three years. Figures may kindly be supplied up to as late a date as available.
- (2) Export of rags during the last three years.

(15) *Letter No. 281, dated the 15th March, 1938, from the Tariff Board, to the Collector of Customs, Bombay.*

I am directed to enclose herewith the papers noted in the margin and to request you to be so good as to favour the Board with your opinion on the points raised therein:—

- (1) *Extract regarding attempt made to replace badami paper by tinted paper,
- (2) †Reply to the question No. 11 received from Messrs. J. B. Advani & Co.

(16) *Letter No. R. O. R. 392/38-C. O., dated the 16th March, 1938, from the Collector of Customs, Madras.*

With reference to your letter No. L. 1/T. B., dated the 22nd February, 1938, I have the honour to enclose a statement giving the information required by you.

Statement showing the latest invoiced prices of protected papers imported at Madras.

Item in the I. C. T.	Description of paper.	Country of origin.	Invoiced prices.	Market prices.
44(1)	Evensyde off set white printing paper.	United Kingdom.	3½d. per lb. less 10 per cent. f.o.b.	As. 8 to As. 8-6 per lb.
	Cordelia cover printing paper Malt Finish coloured.	Do.	5½d. per lb. less 10 per cent. f.o.b.	
	Peerless white Art printing paper.	Do.	7d. per lb. c.i.f.	As. 6-6 per lb.
	Light Orange Cover paper .	Do.	£18-10s. per ton. f.o.b. + 2½ b.c.	
	Cover paper Blue Double crown.	Do.	4½d. per lb. f.o.b.	As. 8 to As. 8-6 per lb.
	Brown Mayfair Pebble Finish cover paper.	Do.	7½d. per lb. f.o.b.	
	Sapphire and Sand Finish cover paper.	Do.		

* Not printed.

† Please see replies received from Messrs. J. B. Advani & Co., Bombay.

Statement showing the latest invoiced prices of protected papers imported at Madras—contd.

Item in the I. C. T.	Description of paper.	Country of origin.	Invoiced prices.	Market prices.
	Walnut rought cast cover paper.	United Kingdom.	60s. per ream f.o.b.	
	Palm Beach Dual Art . . .	Do. .	} 48s. 3d. per ream f.o.b.	
	Apple Blossom	Do. .		
	Dreadnought cover paper . .	Do. .	5½d. per lb. f.o.b.	As. 8 to As. 8-6 per lb.
	Devonval white labelling paper	Do. .	37s. per 1,000 sheets f.o.b.	
	W. B. I. Tropical Gummed printing paper white.	Do. .	14s. 6d. per ream c.i.f. less 5 per cent.	
	Coloured Tropical gummed . .	Do. .	19s. 3d. per ream c.i.f. less 5 per cent.	
	Supreme pure gummed white	Do. .	20s. per ream c.i.f. less 5 per cent.	
II.	White Art printing paper . .	Japan .	470 yens per ton c.i.f.	
	Fancy cover printing paper coloured.	Holland .	£2 7s. 6d. per ream c.i.f..	
44(3) (a) Ruled or printed forms in the shape of letter heads are mostly imported free of charge as complementary goods, and their value is fixed at As. 8 per lb. for assessment purposes.				
44(3) (b)	Conqueror Azure laid, 13½ × 16½—14½ lbs.	United Kingdom.	14s. 6d. per ream f.o.b.	} As. 12 per lb.
	Conqueror Azure laid 13½ × 16½—16½ lbs.	Do. .	16s. 6d. per ream f.o.b.	
	Conqueror Azure laid, 13½ × 16½—25 lbs.	Do. .	25s. per ream f.o.b.	
	Conqueror Azure laid, 13½ × 16½—23 lbs.	Do. .	23s. per ream f.o.b.	
	Conqueror Azure laid, 20 × 31—50 lbs.	Do. .	50s. per ream f.o.b.	
	Conqueror Azure laid, 24 × 38—88 lbs.	Do. .	88s. per ream f.o.b.	

Statement showing the latest invoiced prices of protected papers imported at Madras—concl'd.

Item in the I. C. T.	Description of paper.	Country of origin.	Invoiced prices.	Market prices.
	Conqueror Azure laid, $13\frac{1}{2} \times 16\frac{1}{2}$ — $12\frac{1}{2}$ lbs.	nited King- dom.	12s. 6d. per ream f.o.b.	As. 12 per lb.
	Conqueror Azure laid, $16\frac{1}{2} \times 26\frac{1}{2}$ —25 lbs.	Do.	25s. per ream f.o.b.	
	Maxima bond pink, 18×23 —15 lbs.	Do.	£33 10s. per ton c.i.f.	Rs. 3-8 per ream.
	Coloured wove Manifold bank, 18×23 — $8\frac{1}{2}$ lbs.	Do.	£33 per ton c.i.f.	
	"Borregaard" cream wove (challenge) Bond, 18×23 —13 and 15 lbs.	Norway	£35 15s. per ton c.i.f.	As. 5 to As. 5-3 per lb.
	Cravaton Azure laid, $19\frac{1}{2} \times 24$ —42 lbs.	United King- dom.	4½d. per lb. c.i.f.	Do.
	Buffalo ledger cream, $13\frac{1}{2} \times 16\frac{1}{2}$ —12 and 14 lbs.	Do.	4d. per lb. c.i.f.	
	Buffalo Azure laid, $13\frac{1}{2} \times 16\frac{1}{2}$ —12 and 14 lbs.	Do.	4½d. per lb. c.i.f.	

(17) Letter C. No. 434/88, dated the 23rd March, 1938, from the Collector of Customs, Bombay.

During the course of my examination by the Tariff Board on the 14th March, 1938, the Board expressed a desire to be furnished with information on the following points, viz. :—

- (1) whether there were any disputes regarding the classification of hard and soft sized printing paper during 1937 and 1938;
- (2) whether there are any exports from Bombay of rags for paper making;
- (3) whether the landed cost of Japanese wood-free printing paper, as mentioned in the last paragraph of this office letter C. No. 279/38, dated the 25th February 1938, was correct.

2. I furnish below, *ad seriatim*, the required information.

- (1) There were only 2 cases of dispute in the earlier part of 1937. Both the consignments were imported by Messrs. Advani & Co., Bombay, and the paper, though invoiced by the manufacturers and declared by the importers in the relative bills of entry as "not hard sized", was found on test by the Customs Chemical Examiner to be hard sized. Samples were also re-tested by the Special Chemical Adviser and were found to be hard sized.
- (2) A statement showing the total exports of rags for paper making during 1935-36, 1936-37 and during the period April 1937 to February 1938, is enclosed.
- (3) The correct landed cost (inclusive of duty and charges) of Japanese wood-free printing paper in 1936-37 was 2 annas $10\frac{1}{2}$ pies (say, 2 annas 11 pies) per lb. and that in 1937-38, 3 annas $5\frac{1}{2}$ pies (say, 3 annas and 6 pies) per lb.; the difference is due to c.i.f. price of the paper having risen during the last eight months to 2 annas 2 pies per lb., as against 1 anna and 7 pies per lb. ruling in 1936-37.

Statement showing the figures of exports of rags for paper making during the years 1935-36 and 1936-37 and the first eleven months (April to February) of the year 1937-38.

Article and country of consignment or of final destination.	1935-36.		1936-37.		1937-38. (April to February).	
	Cwt.	Rs.	Cwt.	Rs.	Cwt.	Rs.
EXPORTS.						
RAGS FOR PAPER MAKING.						
United Kingdom	8,009	1,34,882	10,483	1,68,000	10,616	2,12,409
Aden and Dependencies	14	220	3	40	8	200
Commonwealth of Australia.	..	..	4	100	..	..
Finland . . .	288	3,480	..	..	..	..
Sweden . . .	28	240	162	1,575	21	300
Germany . . .	530	5,250	607	7,640	306	7,000
Belgium . . .	554	3,205	103	2,430	214	3,800
France . . .	..	..	404	2,814	202	2,320
Poland . . .	126	700	..	..	749	8,050
Italy . . .	1,185	24,820	976	7,075	837	13,670
Persia . . .	48	1,172	90	1,029	31	602
United States of America via Atlantic Coast.	13,381	97,474	25,683	2,05,627	14,448	1,33,953
Total	24,163	2,71,443	38,516	3,97,230	27,432	3,83,354

NOTE.—Rags for paper making are not separately specified for statistical purposes and the figures of exports thereof are not separately available. They are included under the head "Paper making materials". The figures have, however, been collected from the remarks columns of the relative registers and may, therefore, be treated as approximate. Rags include those of cotton, wool, jute and hemp.

(18) Letter No. C. 588/38, dated the 25th March, 1938, from the Collector of Customs, Karachi.

With reference to your letter No. 275, dated the 15th instant, I have the honour to forward herewith two statements, showing (1) the imports of paper into Karachi from Japan during the years 1934-35, 1935-36, 1936-37 and 1937-38 (April to February) and (2) export of rags during the three years ending 1936-37.

Statement showing the imports of paper into Karachi from Japan during the years 1934-35, 1935-36, 1936-37 and 1937-38 (April to February).

Particulars.	1934-35.		1935-36.		1936-37.		1937-38 (April to February).	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Packing and Wrapping paper *—	Cwts.	Rs.	Cwts.	Rs.	Cwts.	Rs.	Cwts.	Rs.
Kraft including imitation kraft.	..	..	..	..	..	..	22	655
Brown Wrappings, other sorts.	..	..	..	..	..	..	..	..
Coloured Machine-glazed pressings.	..	..	..	..	..	..	..	..
Manilla Machine-glazed or unglazed and Sulphite envelope.	..	..	..	..	..	..	..	..
Fancy including embossed paper	..	..	15	104	..	..	..	..
Other sorts . . . .	..	..	2	51	4	82	15	443
Total .	61	743	17	155	4	82	37	1,098
Printing paper—*								
Machine-glazed poster paper .	..	..	..	..	..	..	..	..
Litho paper . . . .	..	..	..	..	..	..	..	..
White printing paper other than machine-glazed poster and Litho.	..	..	..	..	..	..	..	..

Statement showing the exports of rags from Karachi to Foreign Countries during the three years ending 1936-37.

Countries whither exported.	1934-35.		1935-36.		1936-37.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwt.	Rs.	Cwt.	Rs.	Cwt.	Rs.
Belgium		33	365

(19) Letter No. R. O. R. No. 505/38, dated the 28th March, 1938, from the Collector of Customs, Madras.

I have the honour to refer to your letter No. 275, dated the 15th March, 1938.

2. I enclose a statement showing the various kinds of paper with their C.I.F. prices, as noted in the concerned invoices, imported from Japan during the five years from 1934 to 1938 (up to date).

3. There have been no exports of rags during the past three years from any of the ports in this Province.

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C. I. F. Invoiced prices.

Name and description of paper.	1934.	1935.	1936.	1937.	1938.
Art paper, white wood-free	Rs. a. p. 0 2 6 per lb. 7.2 yens per ream.	Rs. a. p. 4 6 0 per ream	Rs. a. p. 0 2 7 per lb.	Rs. a. p. 0 2 6 per lb.	Rs. a. p. Not available.
Duplex Art paper, wood-free	Not available	Not available	Not available	5 4 0 to 5 5 0 per ream.	5 2 0 to 5 6 0 per ream.
Cellophane paper, Coloured	Do.	Do.	10 12 0 per ream	10 14 0 "	11 4 0 "
" " White	Do.	Do.	8 8 0 "	8 14 0 "	9 5 0 "
Cigarette paper in rolls, velum superior quality 28 m/m × 1560 meters.	88 8 0 for 100 bobbins.				
27½m/m × 1560 meters	116 yens				
Tosa Tungey's paper (i.e., soft tissue paper)	8.6 yens for ream				
M. G. W. white tissue paper	1 12 0 to 2 6 0 per ream	Not available	Not available	0 14 0 per ream	Not available.
Wall paper	15.75 yens per 100 rolls.	16 yens per 100 rolls. 0 1 0 to 0 2 1 per roll.	Do.	0 2 4 per roll	0 2 1 per roll.
M. L. printing, wood-free	Not available	Not available	0 2 3 per lb.	0 2 4 per lb.	Not available.
Bond paper	Do.	Do.	0 2 4 "	0 2 4 "	0 2 5 per lb.
Poster paper	Do.	Do.	0 1 9 to 0 1 11 per lb.	0 2 3 "	0 2 3 to 0 2 4 per lb.
Air Mail paper	Do.	Do.	Not available	0 3 0 per ream	Not available.

Information not available.

Information not available.

(20) Letter No. 330, dated the 28th March, 1938, from the Tariff Board to the Collectors of Customs, Bombay and Calcutta.

In enclosing herewith a copy of the letter noted below, I am directed to enquire whether any of the classes of paper referred to therein are sufficiently distinct for the purpose of Tariff valuation.

Letter from the Calcutta Paper Traders' Association dated the 19th February, 1938.

Copy of a letter dated the 19th February, 1938, from the Secretary, Calcutta Paper Traders' Association, Calcutta, to the Secretary, Tariff Board.

With reference to the meeting of the undersigned with your Mr. Rahimtoola we beg to enclose herewith a list which we supply to the Collector of Customs of Calcutta for ascertaining market value prevailing in the Calcutta Market. As these are the main items, I think if Tariff value for similar list is fixed throughout Indian Ports it will remove our grievances regarding the competition by the importers of other Ports to come in within economic limits of this port.

List.

1. M. G. White Tissue Paper.
2. M. F. White Tissue Paper.
3. M. G. Coloured Tissue Paper.
4. Super White Tissue Paper fully Bleached.
5. M. F. Superior Co. Tissue Paper.
6. Col. Glazed 40/50 Grams 18" x 22".
7. Col. Glazed 40/50 Grams 20" x 30".
8. M. G. Nature Brown 25 grams and below.
9. Ungl. Greaseproof paper No. 1.
10. Ungl. Greaseproof paper No. 2.
11. Ungl. Col. Demy short size.
12. Transparent Half-bleached No. 3.
13. Transparent Bleached No. 2.
14. Transparent Bleached No. 3.
15. Coloured Flint paper 20" x 30".
16. Coloured Flint paper F. Cap.
17. M. G. White & Col. Poster Paper.
18. M. G. Green & Blue Match Paper.
19. Drawing Cartridge Paper.
20. M. G. Coloured Sulphite Mechanical.
21. M. G. Coloured Sulphite Pure.
22. Chromo Art Paper Woodfree.
23. Chromo Art Paper Mechanical.
24. Mechanical Art Paper.
25. Glazed Tinted.
26. Unglazed Tinted.
27. M. G. Pressing thick.

(21) Letter No. 1167, dated the 30th March, 1938, from the Collector of Customs, Calcutta.

I have the honour to refer to your letter No. 275 of the 15th March, 1938.

2. I enclose a statement showing the quantity and value of paper imported into Bengal from Japan for the periods mentioned.

3. As regards detailed information of qualities and prices, figures for the period required are not available except for the months from February 1937 to November 1937. Kindly let me know if figures for these months only will meet your requirements.

4. There is no separate statistical head for exports of rags. A statement of exports of paper-making material including rags is enclosed for your information.

Statement of Paper imported into Bengal from Japan during the periods shown below.

Articles.	1935-36.		1936-37.		April 1937 to February 1938.	
	Cwts.	Rs.	Cwts.	Rs.	Cwts.	Rs.
PAPER.						
(a) Packing and wrapping paper—						
(i) Kraft including imitation kraft.	5	58	26	248	..	..
(ii) Brown wrappings, other sorts.	..	..	..	..	..	..
(iii) Coloured machine-glazed pressings.	..	..	..	..	..	..
(iv) Manilla, machine-glazed or unglazed and salphite envelope.	..	..	..	..	..	..
(v) Fancy, including embossed paper.	..	..	..	..	..	..
(vi) Other sorts	337	15,745	310	6,355	514	11,014
(b) Printing paper—						
(i) Machine-glazed poster paper.	..	..	..	..	..	..
(ii) Litho paper	..	..	..	..	..	..
(iii) White printing paper other than machine-glazed poster and litho—						
(1) News printing	..	..	..	..	..	..
(2) Others	..	..	26	356	2,535	48,167
(iv) Other sorts	208	2,492	63	785	529	10,666
(c) Writing paper and envelopes—						
(i) Azurelaid or wove and ledger.	..	..	..	..	..	..
(ii) Cream	..	..	..	..	..	..
(iii) Other sorts of writing paper.	11	172	233	2,763	1,061	14,688
(iv) Writing pads	11	330	..	..	2	131
(v) Boxed stationery	204	7,107	13	300	3	170
(d) Blotting paper	..	..	-1/-	22	..	..
(e) Old newspaper in bales and bags.	..	..	..	..	125	598
(f) Other kinds of paper	326	11,852	546	23,655	626	27,141
(g) Paper manufactures	1,326	30,888	817	28,831	531	24,723

Statement showing exports of Paper-making materials (including rags) from Bengal to Foreign Countries during the periods shown below :—

Country to which exported.	1935-36.		1936-37.		From April '37 to February 1938.	
	Quantity	Value	Quantity	Value	Quantity	Value
	Cwts.	Rs.	Cwts.	Rs.	Cwts.	Rs.
United Kingdom	1,310	7,045	2,289	20,040	1,224	16,785
Burma . . . . .	..	..	..	..	-/2/-	200
Germany . . . . .	..	..	315	3,550	..	..
Belgium	200	400	..	..	..	..
Italy . . . . .	..	..	..	..	120	2,558
United State of America via Atlantic Coast.	159	1,294	4,265	26,050	3,263	29,300
Total	1,669	8,739	6,869	49,640	4,607	48,843

(22) *Letter No. 339, dated the 30th March, 1938, from the Tariff Board, to the Collectors of Customs, Bombay/Calcutta.*

I am directed to acknowledge receipt of your letter No. 5-13/38-O, dated the 3rd March, 1938/1109, dated the 9th March, 1938 and to say that the Board would be obliged if you could state the dates of quotation of the prices mentioned therein/in the statement forwarded therewith.

2. I am also to request you to be so good as to furnish the Board with the c.i.f. prices of the following classes of paper if imported later than the period included in your letter under reference :—

(1) White M. F. and S. C.

(2) Creamlaid (18×16×6 lbs.) (If not imported in this size please specify the average size imported).

(23) *Letter No. 376, dated the 5th/6th April, 1938, from the Tariff Board, to the Collector of Customs, Calcutta.*

With reference to paragraph 2 of your letter No. 1167, dated the 30th March, 1938, I am directed to request you to send figures for the months from February to November, 1937, which are available in your office.

(24) *Circular letter No. 379, dated the 6th April, 1938, from the Tariff Board, to the Collectors of Customs, Calcutta, Bombay, Madras and Karachi.*

I am directed to say that the Tariff Board understand that trade catalogues and advertising circulars, if they are imported in the form of bound books, are treated as books and admitted free of duty even if they are imported in bulk though ordinary trade catalogues and advertising circulars are subject to revenue duties if imported in bulk, i.e., otherwise than by packet, book or parcel post.

The Board would be glad to know if this is the position and also what the criterion is for judging whether trade catalogues and advertising circulars should be classed as books.

(25) Letter No. C. 5-21/38-C., dated the 7th April, 1938, from the Collector of Customs, Bombay.

I have the honour to refer to your letter No. 275, dated the 15th March, 1938, and to enclose two statements showing respectively:—

(1) the quantities and value of paper imported from Japan into Bombay during the past three years, as recorded for the purpose of the statistical returns, and

(2) exports of rags from Bombay during the last three years.

2. I regret that it is not possible at this stage to give the c.i.f. prices of the different qualities of paper month by month for each of the three years.

Statement showing the total quantities and value of various kinds of paper imported into the Presidency of Bombay from Japan during the years 1935-36 and 1936-37 and the first eleven months (April to February) of the year 1937-38.

Kind of paper.	1935-36.		1936-37.		1937-38. (April to Feb.)	
	Quantity	Value	Quantity	Value	Quantity	Value
(a) Packing and wrapping paper—	Cwts.	Rs.	Cwts.	Rs.	Cwts.	Rs.
(i) Kraft including imitation kraft.	2	28	3	35	..	..
(ii) Brown wrappings, other sorts.	..	..	..	..	..	..
(iii) Coloured machine-glazed pressings.	..	..	..	..	..	..
(iv) Manilla, machine-glazed or un-glazed and sulphite envelope.	..	..	..	..	..	..
(v) Fancy, including embossed paper.	58	1,429	..	..	..	..
(vi) Other sorts . . .	64	3,070	295	6,915	115	2,817
(b) Printing paper—						
(i) Machine-glazed poster paper.	..	..	..	..	..	..
(ii) Litho paper . . .	..	..	..	..	..	..
(iii) White printing paper other than machine-glazed poster and litho—	..	..	..	..	..	..
(1) News printing . . .	..	..	..	..	..	..
(2) Others . . .	4,196	75,971	5,717	1,20,039	15,306	3,74,573
(iv) Other sorts . . .	4,259	83,964	845	17,783	57	1,448

Country of final destination.	1935-36.		1936-37.		1937-38. (April to Feb.)	
	Quantity	Value	Quantity	Value	Quantity	Value
	Cwts.	Rs.	Cwts.	Rs.	Cwts.	Rs.
(c) Writing paper and envelopes—						
(i) Azure laid or wove and ledger	..	..	..	..	..	..
(ii) Cream	..	..	..	..	..	..
(iii) Other sorts of writing paper.	964	20,988	2,162	45,603	5,698	1,32,859
(iv) Writing pads	3	64	38	758	13	433
(v) Boxed stationery	4	417	29	1,941	31	1,389
(d) Blotting paper	..	..	..	19	18	1,067
(e) Old newspaper in bales and bags.	..	..	..	..	..	..
(f) Other kinds of paper	672	14,013	231	6,319	278	7,302
(g) Paper manufactures	1,823	51,507	1,609	47,990	2,525	98,199
Total	12,045	2,51,451	10,929	2,47,402	24,041	6,20,177

Statement showing the quantities and value of rags (Indian) exported from the Presidency of Bombay to foreign countries during the official years 1935-36 and 1936-37 and the first eleven months (April to February) of the year 1937-38.

Country of final destination.	1935-36.		1936-37.		1937-38 (April to February.)	
	Quantity	Value	Quantity	Value	Quantity	Value
	Cwts.	Rs.	Cwts.	Rs.	Cwts.	Rs.
United Kingdom	8,009	1,34,882	10,483	1,68,000	10,616	2,12,409
Aden and Dependencies	14	220	3	40	8	200
Commonwealth of Australia	..	..	4	100	..	..
Finland	288	3,480	..	..	..	..
Sweden	28	240	162	1,575	21	300
Poland	126	700	..	..	749	8,950
Germany	530	5,250	607	7,640	306	7,000
Belgium	554	3,205	103	2,430	214	3,860
France	..	..	404	2,814	202	2,320
Italy	1,185	24,820	976	7,075	837	13,670
Persia	48	1,172	90	1,929	31	692
United States of America via Atlantic Coast.	13,381	97,474	25,683	2,05,627	14,448	1,33,953
Total	24,163	2,71,443	38,515	3,97,230	27,432	3,83,354

NOTE.—Rags for paper-making are not separately specified for statistical purposes and the figures of exports thereof are not separately available. They are included under the head "Paper-making materials". These figures have, however, been collected from the remarks columns of the relative registers and may therefore be treated as approximate.

(26) *Letter No. 27, dated the 9th April 1938, from the Collector of Customs, Calcutta.*

I have the honour to refer to your letter No. 330, dated the 28th March, 1938.

2. After careful consideration I am of the opinion that the only papers which possess distinct characteristics whereby they can be easily identified and which are imported in sufficient quantities to justify fixing a tariff value are (a) M. G. White Woodfree Poster (which is covered by Item No. 17 in the list) and (b) White Double-sided Mechanical Art Paper (which is covered by Item No. 24).

3. Item No. 8 M. G. Nature Brown Paper formerly had a tariff value but imports dropped to such an extent that the Tariff value was abolished.

4. Most of the other items in the list are general descriptions which cover a wide range of papers differing in quality and value.

(27) *Letter No. 28, dated the 9th April, 1938, from the Collector of Customs, Calcutta.*

I have the honour to refer to your letter No. 339, dated the 30th March, 1938.

2. The rates quoted in the statement forwarded with my letter No. 1109, dated the 9th March, 1938, represent c.i.f. values current in the last week of February, 1938.

3. The latest prices of the following Papers are as follows:—

- (1) White M/F Printing—£25 to £27 per ton c.i.f.
- (2) White S/C Printing—£26 to £27/10 per ton c.i.f.
- (3) Creamlaid (13×16—6 lbs.)—There have been importations of this size at this port. It is a mechanical hard-sized paper and is assessed to duty as a writing paper, its price being £22 per ton c.i.f.

(28) *Circular letter No. 397, dated the 9th April, 1938, from the Tariff Board, to the Collectors of Customs, Bombay, Calcutta, Madras and Karachi.*

I am directed to state that in the course of its enquiry the attention of the Tariff Board has been drawn by Paper Manufacturers to the question of "Badami" paper. The term "Badami" means almond coloured but has come to be applied to a particular kind of cheap paper, semi or lightly bleached, largely used in Government and railway offices. The Government of India accepted the recommendation of the Tariff Board of 1935 as per their Resolution No. 202-T. (3)/35, of 23rd May, 1936, and decided that glazed hard-sized buff or badami mechanical paper, which had hitherto been classed as printing paper by virtue of its high content of mechanical wood pulp should be treated as writing paper and subjected to the protective duty. As a result of this decision hard-sized white and buff or badami mechanical paper was treated as writing paper and an appendix added that Buff and Badami papers should contain no dyes or pigments. Subsequently Customs Collectors brought to the notice of the Government of India that buff or badami paper contained some dye or pigment. In their Resolution No. 202-T. (3)/36, dated the 10th October, 1936, the Government of India accordingly decided that the specification relating to dyes or pigments should be omitted. The point has been raised by the manufacturers that since hard-sized badami paper has been classed as writing paper if coloured white, buff or badami, paper of similar quality and substance might by implication be considered printing paper if tinted another colour such as pink.

2. Mention has been made of the following specification of paper given in the tender notice issued by the United Provinces Government in October, 1937:—

"Tinted news printing 554 tons, maximum substance 74 G. S. M., minimum substance 63 G. S. M. Specification item No. 7, tinted Newsprinting. This is to be either cream, pale blue, or pale pink or other pale tint but not buff, badami or white, should be of good standard quality containing not less than 65 per cent. mechanical wood, reasonably free from specks and sufficiently sized and glazed. Should also be suitable for writing on with ink. Maximum ash limit 15 per cent."

Their fear is that paper so tinted if it contained more than 70 per cent. mechanical pulp might not be treated as writing paper though it was sized hard enough to be suitable for writing.

3. The Board would be glad to know whether according to Customs practice, paper, such as that specified by the United Provinces Government, would be treated as writing paper on the ground that it was hard sized according to the usual writing test or whether it would be treated as printing paper on the ground that it was not white, buff or badami, the colours specified in the Government of India Resolution.

(29) *Letter No. 31, dated the 11th April, 1938, from the Collector of Customs, Calcutta.*

I have the honour to refer to your letter No. 379, dated the 6th April, 1938.

2. In Customs Ruling No. 13, of 1937, dated the 6th July, 1937, the Central Board of Revenue has ruled that catalogues imported in the form of a book are exempt from Customs duty under item No. 46 (1), Indian Customs Tariff regardless of the nature of their contents. Advertising circulars imported as cargo in loose sheets are assessed under item No. 45. When imported by post they are free of duty under item No. 44 (4).

सत्यमेव जयते

(30) Statement showing the landed prices of all kinds of paper imported from Japan for the months from February to November 1937, forwarded by the Collector of Customs, Calcutta, in reply to Tariff Board, letter No. 376, dated the 5/6th April 1938, vide memo. No. 45, dated the 12th April 1938.

Invoice description.	Tariff description.	Country whence consigned.	Weight.	Quantity.	Total landed cost without duty.	Invoice rate per unit.
Tissue paper 20 x 30 .	Wrapping paper, other sorts.	Japan .	924 lbs.	100 reams.	Y. 410-00	@ Y. 4-10 per ream c.i.f.
Wrapping paper in rolls .	Ditto .	Do. .	1 cwt.	100 rolls	Y. 50-00	@ Y. 0-50 per roll c.i.f.
White tissue paper .	Packing paper, other sorts and wrapping.	Do. .	2,842 lbs.	300 reams	Y. 1,230-00	@ Y. 4-10 per ream.
Cigarette paper in bobbins	Paper, other sorts .	Do. .	6,616 "	20 cases	Y. 1,990-00	@ Y. 1-99 per bobbin c.i.f.
Printing paper, orange colour, yellow colour.	Printing paper containing not less than 70 per cent. M. W. P.	Do. .	1,530 "	45 reams	Y. 292-50	@ Y. 6-50 per ream c.i.f.
Tissue paper 20 x 30 .	Wrapping paper, other sorts.	Do. .	937 "	100 "	Y. 410-00	@ Y. 4-10 per ream c.i.f.
Label printing paper, orange colour.	Printing paper containing not less than 70 per cent. M. W. P.	Do. .	3,070 "	45 "	Y. 305-00	@ Y. 6-80 do.
Cigarettes paper in bobbins.	Paper, other sorts .	Do. .	4,718 "	1,000 bobbins	Y. 1,990-00	@ Y. 1-99 per bobbin c.i.f.
Paper Grey 20 x 30 .	Wrapping paper, other sorts.	Do. .	10,250 "	1,100 reams	Y. 1,386-00	@ Y. 1-26 per ream c.i.f.
White M. F. printing paper 17½ x 22½ to 20 x 30.	Printing paper containing no or less than 70 per cent. M. W. P.	Do. .	8,641 "	422 "	Y. 927-14	@ Y. 0-112 per lb. c.i.f.
Tissue paper 20 x 30 .	Wrapping paper, other sorts.	Do. .	925 "	100 "	Y. 410-00	@ Y. 4-10 per ream c.i.f.
Wall paper in rolls .	Paper, other sorts .	Do. .	560 "	980 rolls	Rs. 86-6-5	@ Rs. 18 per bale of 200 rolls.
Tissue paper 20 x 30 .	Wrapping paper, other sorts.	Do. .	936 "	100 reams	Y. 410-00	@ Y. 4-10 per ream c.i.f.

(30) Statement showing the landed prices of all kinds of paper imported from Japan for the months from February to November 1937, forwarded by the Collector of Customs, Calcutta, in reply to Tariff Board, letter No. 376, dated the 5/6th April 1938, vide memo. No. 45, dated the 12th April 1938—contd.

Invoice description.	Tariff description.	Country whence consigned.	Weight.	Quantity.	Total landed cost without duty.	Invoice rate per unit.
Wall paper in rolls . . .	Paper, other sorts . . .	Japan . . .	4,480 lbs.	9,000 rolls	Rs. 1,182-3-0	@ Rs. 0-2-2 per roll c.i.f.
Cigarette paper in bobbins	Ditto . . .	Do. . .	536 "	100 bobbins	Y. 250-00	@ Y. 125-00 per case of 50 bobbins c.i.f.
White tissue paper 20×30	Wrapping paper, other sorts.	Do. . .	2,842 "	300 reams	Y. 1,200-00	@ Y. 4-00 per ream c.i.f.
White rice tissue paper 8½×11.	Ditto . . .	Do. . .	88 "	25,000 sheets	Y. 78-00	
Tissue paper (lined) 20×30.	Ditto . . .	Do. . .	931 "	100 reams	Y. 410-00	@ Y. 4-10 per ream c.i.f.
White foolscap 16½×26½ .	Ditto . . .	Do. . .	24,468 "	1,056 "	Y. 3,298-94	@ Y. 0-142 per lb. c.i.f.
Tissue paper 20×30 . . .	Ditto . . .	Do. . .	1,872 "	200 "	Y. 820-00	@ Y. 4-10 per ream c.i.f.
White foolscap 16½×26½ .	Ditto . . .	Do. . .	48,048 "	2,184 "	Y. 6,822-82	@ Y. 0-142 per lb. c.i.f.
Imitation leather paper in rolls.	Paper other sorts . . .	Do. . .	168 "	14 rolls	Y. 121-60	@ Y. 8-60 per roll c.i.f.
Wall paper in rolls . . .	Ditto . . .	Do. . .	5,152 "	23,000 "	Y. 3,100-00	@ Y. 9-00 do. @ Y. 62-00 per 400 rolls c.i.f. @ Y. 62-00 per 800 rolls c.i.f.
Paper grey 20×30 . . .	Packing paper, other sorts	Do. . .	5,600 "	500 reams	Y. 810-00	@ Y. 1-62 per ream c.i.f.
Wall paper in rolls . . .	Paper, other sorts . . .	Do. . .	2,343 "	9,000 rolls	Rs. 1,108-4-10	@ Re. 0-2-2 per roll of 12 yds. less 6½ per cent. and 3 per cent. c.i.f.
White Tissue paper 20×30.	Wrapping paper other sorts.	Do. . .	2,842 "	300 reams	Y. 1,200-00	@ Y. 4-00 per ream c.i.f.

Imitation leather paper in rolls.	Ditto . . .	Do.	224 "	13 rolls	Y. 104-20	{ @ Y. 6'40 per roll c.i.f. @ Y. 8'60 do. @ Y. 9'00 do. @ Y. 5'40 do. @ Y. 4'10 per ream c.i.f.
Tissue paper 20×30 . . .	Ditto . . .	Do.	919 "	100 reams	Y. 410-00	@ Y. 1'40 do.
Tissue paper 18×23 . . .	Paper, other sorts . . .	Do.	112 "	100 "	Y. 133-00	@ Rs. 60 per bale of 400 rolls c.i.f.
Wall paper in rolls . . .	Ditto . . .	Do.	1,120 "	2,000 rolls	Rs. 300-0-0	@ Y. 4'05 per ream c.i.f.
White tissue paper 20×30 . . .	Wrapping paper, other sorts.	Do.	2,433 "	200 reams	Y. 810-00	@ Y. 0'216 per lb. c.i.f.
Art printing paper 35×44 . . .	Printing paper containing no or less than 70 per cent. M. W. P.	Do.	9,938 "	110 "	Y. 2,138-40	@ Y. 6'25 per ream c.i.f.
Match paper (cut to sizes)	Wrapping paper, other sorts.	Do.	4,800 "	160 "	Y. 1,000-00	@ Y. 1'90 do.
Tissue paper 18×24 . . .	Ditto . . .	Do.	448 "	200 "	Y. 361-00	@ Y. 4'10 do.
Tissue paper 20×30 . . .	Ditto . . .	Do.	943 "	100 "	Y. 410-00	@ Y. 6'35 do.
Blue match paper 44½×30 . . .	Ditto . . .	Do.	4,320 "	160 "	Y. 1,016-00	@ Y. 1'90 do.
Tissue paper 18×24 . . .	Ditto . . .	Do.	336 "	300 " (ream of 500 sheets).	Y. 570-00	@ Y. 9'00 per roll.
Imitation leather paper on rolls.	Ditto . . .	Do.	224 "	25 rolls	Y. 225-00	@ Y. 2'50 per ream c.i.f.
Silk tissue paper 20×30 . . .	Ditto . . .	Do.	448 "	100 reams.	Y. 237-00	{ @ Y. 6'35 per ream. @ Y. 6'25 do.
Match paper, cut to special sizes.	Ditto . . .	Do.	8,100 "	284 "	Y. 1,789-00	@ Y. 9'00 per roll.
Imitation leather paper on rolls.	Ditto . . .	Do.	400 "	25 rolls	Y. 225-00	@ Y. 9'00 per roll c.i.f.
Tissue paper 20×30 . . .	Ditto . . .	Do.	125 "	25 "	Y. 225-00	@ Y. 4'10 per ream.
White tissue paper (lined) 20×30.	Ditto . . .	Do.	1,232 "	220 reams	Y. 902-00	@ Y. 4'05 per ream c.i.f.
	Ditto . . .	Do.	1,895 "	200 "	Y. 810-00	

(31) *Letter No. 55, dated the 14th April, 1938, from the Collector of Customs, Calcutta.*

I have the honour to refer to your letter No. 379, dated the 6th April, 1938.

2. Attention is invited to my letter No. 31, dated the 11th April, 1938. In accordance with the ruling referred to therein it is the practice at this port to consider printed material containing more than four pages which are fastened together to make a book or pamphlet to be a printed book.

(32) *Letter C. No. 402/38, dated the 20th April, 1938, from the Collector of Customs, Bombay.*

I have the honour to refer you to your letter No. 281, dated the 15th March, 1938, and to reply as follows:—

1. *Regarding attempt made to replace badami paper by tinted paper.*—No attempts to import such tinted papers have been noticed at this port. If any such paper had been imported, it would have been assessed under the existing rules as printing paper, all sorts not otherwise specified, according to the percentage of its mechanical wood pulp contents.

2. *Reply to the question No. 11, received from Messrs. J. B. Advani and Company.*—(1) The statements made by Messrs. J. B. Advani and Company about the practice of the trade as well as our method of arriving at the assessable weight of paper are substantially correct.

(2) Cardboard is an article which is assessable on real value under Section 30 (b) of the Sea Customs Act. Check-weighment is, therefore, made occasionally, merely with a view to verify that the quantity is correctly stated in the invoice. If such weighment reveals a material excess over weight on which duty has been charged a proportionate increase is made in the value declared in the Bill of Entry. This is done to safeguard Government Revenue against a possible error in invoicing the quantity.

(3) In the case of paper liable to specific duty, the weight on which duty is charged is calculated strictly in accordance with the directions contained in Board's Instruction (Customs) No. 1 of 1929, a copy of which is enclosed.

(4) It will be observed that it is incorrect to draw an analogy between the assessments of cardboards and wood-free paper, inasmuch as the modes of assessment of the two articles are entirely different. Where a rate per unit is prescribed for assessment, the assessing officer has no alternative, but to arrive at the total units to the nearest possible approximation regardless of trade practice. In my view the Board's orders have been designed to secure such an approximation without subjecting the goods to inequitable treatment.

(5) As regards strawboards the position is the same except that the unit of assessment appears in a tariff valuation instead of in a specific duty. A liberal concession of 5 per cent. is made in favour of the importer to allow for possible absorption of moisture to which these goods are liable. It is also open to the importer to have his entire consignment weighed and to pay duty on the actual net weight ascertained, although it is doubtful whether any appreciable relief could thus be secured in the case of low-priced goods of this nature, as the expenses incurred in carrying out full weighment would probably nullify, to some extent the saving in duty.

Enclosure.

Copy.

CENTRAL BOARD OF REVENUE.

New Delhi, the 25th March, 1929.

BOARD'S INSTRUCTION (CUSTOMS) NO. 1 OF 1929.

PAPER—WEIGHT—ASSESSMENT TO DUTY OF, BY—METHOD OF ASCERTAINING WEIGHT.

When paper, which is liable to be assessed by weight either to a specific duty or under a tariff valuation, is covered both by an invoice showing nominal weight and by a weight specification, it should be assessed on the net specification weight, provided that the specification weight and the result of check-weighment do not differ from the nominal weight or from one another by more than 5 per cent.

2. If there is no weight specification or if the proviso to the preceding paragraph is not satisfied, the assessment will be made as follows:—

- (a) Printing and wrapping papers dutiable on a tariff valuation Assessment will be made on the actual weight as ascertained by the weighment of such quantity as is necessary in order to arrive at a fair estimate.
- (b) Printing and writing papers liable to specific duty. Assessment will be on the nominal weight, provided that the result of check-weighment does not differ from the nominal weight by more than 5 per cent.

3. Where there is a specification, showing gross and net weights, check-weighments should as far as possible be made gross, although Customs Collectors must retain the discretion to have net weighments made if they think it necessary to check the tare declared in the specification.

(Sd.) V. S. SUNDARAM,

Secretary, Central Board of Revenue.

The 27th March, 1929.

(33) Letter C. No. 553/38, dated the 21st April, 1938, from the Collector of Customs, Bombay.

I have the honour to refer to your letter No. 379, dated the 6th April, 1938, and to enclose a copy of Central Board of Revenue's letter* D. Dis. No. 259-Cus. I/37, dated the 6th July, 1937, together with its enclosures, containing orders regarding assessment of advertising circulars.

A copy* of tariff ruling No. 241, dated the 16th September, 1937, on the subject is also enclosed.

(34) Letter No. 543/38, dated the 22nd April, 1938, from the Collector of Customs, Bombay.

HARD SIZED NEWS PRINTING PAPER OTHER THAN WHITE, BUFF OR BADAMI—ASSESSMENT OF.

With reference to your letter No. 397, dated the 9th April, 1938, I have the honour to invite a reference to paragraph 1 (1) of my letter C. No. 402/38, dated the 20th April, 1938, and to state that if tinted paper of the type specified in the tender notice issued by the United

Provinces Government were imported here, it would not be tested for the purpose of determining sizing, as the Government of India orders quoted by you refer only to white, buff and badami paper. Such paper would be assessed as coloured news printing paper under item 44 (1) or 44 (2), according to the percentage of mechanical wood contents.

(35) *Letter No. R. O. R.-621/38, dated the 29rd April, 1938, from the Collector of Customs, Madras.*

I have the honour to refer to your letter No. 379, dated the 6th April, 1938.

2. I confirm that the position stated in paragraph 1 of your letter is correct. This practice is based on the Central Board of Revenue Customs Ruling No. 13 of 1937 (copy enclosed).

3. The criterion for classification is the form in which trade catalogues and advertising circulars are imported; if they are in book form, i.e., bound or stitched, they are passed free; if they are in loose sheets, they are assessed to duty. This practice is governed by the orders of the Central Board of Revenue contained in paragraph 3 of its letter D. Dis. No. 259-Cus. 1/37, dated the 6th July, 1937 (extract enclosed).

Enclosures.

I

CENTRAL BOARD OF REVENUE.

Simla, the 6th July, 1937.

CUSTOMS RULING NO. 13 OF 1937 OF THE CENTRAL BOARD OF REVENUE.

CATALOGUES IN BOOK FORM—ASSESSMENT OF.

Catalogues imported in the form of a book are exempt from Customs duty under item No. 45 (1) of the Tariff regardless of the nature of the contents.

(Sd.) R. K. VAISH,

Offg. First Secretary, Central Board of Revenue.

II

Extract of paragraph 3 of letter D. Dis. No. 259-Cus. 1/37, dated the 6th July, 1937, from the First Secretary, Central Board of Revenue, Simla, to the Collector of Customs, Bombay.

3. I am to add that the expression "advertising circular" must be interpreted with reasonable strictness. It should not, therefore, be held to cover a catalogue or a similar compilation which is in book form and contains more than a few pages.

(36) *Letter C. No. 477/38, dated the 25th April, 1938, from the Collector of Customs, Bombay.*

I have the honour to refer to your letter No. 330, dated the 28th March, 1938, and to state that the classes of paper enumerated in items Nos. 1 to 8, 15 to 19, 22 to 24 and 27 of the list forwarded by you are

sufficiently well known and distinct for the purpose of Tariff valuation but not those mentioned in items 9 to 14 and 25 and 26. The papers shown under items 20 and 21 already have a Tariff valuation as they are assessed under item No. 44 of the Indian Customs Tariff as "sulphite envelope printing paper".

(37) *Letter S. No. 5—13/38-C., dated the 25th April, 1938, from the Collector of Customs, Bombay.*

I have the honour to refer to your letter No. 339, dated the 30th/31st March, 1938.

2. The prices of protected paper furnished in my letter S. No. 5—13/38-C., dated the 3rd March, 1938, are for the last week of February, 1938.

3. As regards paragraph 2 of your letter, the current c.i.f. prices of the papers are as follows:—

	Per ton.
	£
1. White M. F. and S. C. Printing	28
2. Creamlaid (13×16×6 lbs.) 70 per cent. mechanical wood-pulp	24

(38) *Letter No. R. O. R. 631/38-Ap., dated the 26th April, 1938, from the Collector of Customs, Madras.*

BADAMI PAPER—ASSESSMENT OF.

I have the honour to refer to your letter No. 397, dated the 9th April, 1938.

2. No special instructions have been issued specifically governing the assessment of the particular paper referred to in paragraph 2 of your letter.

3. The orders of the Government of India concerning the assessment of "hard-sized white and buff or badami mechanical paper" as writing paper do not preclude the assessment of *tinted* papers of similar variety under the same category. Paper of the description given in paragraph 2 of your letter under reply, if found to be writing paper in accordance with the existing tests, would be assessed as such under item 44 (3) of the Indian Customs Tariff.

(39) *Letter No. 101, dated the 26th April, 1938, from the Collector of Customs, Calcutta.*

PAPER, WRITING—ASSESSMENT.

I have the honour to refer to your letter No. 397, dated the 9th April, 1938, and subsequent reminder.

2. An identical tender formed the subject of a representation by the Indian Paper Makers' Association to the Central Board of Revenue. The Association was informed that the Board was unable to issue a ruling to the effect that all hard-sized mechanical papers should be assessed as writing paper and that the paper in question would doubtless be assessed at the protective rate if such assessment was justified by the tests undertaken at the Custom Houses.

3. There has been no occasion so far to make the tests and the opinion now offered is therefore tentative. According to Sindall's Paper Technology the ash limit for cheap printings is 8 per cent. to 15 per cent. (*vide* page 132) Dawe in his "Paper and its uses" says that coloured printings should be fairly well sized, well finished and free from spots and specks

(page 39). The specification in the tender of an upper limit of 15 per cent. ash and the requirement of reasonable freedom from specks would therefore indicate that the paper was a cheap printing paper.

4. The tender no doubt requires that the paper should be sized and suitable for writing, but this will not necessarily bring it under item 44 (3). Some sizing is common even in printing papers. According to a ruling of the Central Board of Revenue at page 65, Indian Customs Tariff Guide, 2nd Edition, "Printing paper" is a paper which is used in India mainly or solely for printing purposes. If it is averred, as it might well be, that "tinted" paper (other than buff or badami) was used in India mostly for printing and only occasionally for writing, assessment under item 44 (2) could not well be refused.

(40) *Letter No. C. 747/88, dated the 27th April, 1938, from the Collector of Customs, Karachi.*

I have the honour to refer to your letter No. 379, dated the 6th April, 1938.

2. No distinction is made at this port between trade catalogues and advertising circulars in the form of bound printed books and those not so bound. So long as they are in the form of printed books, they are passed free under item 45 (1) of the Indian Customs Tariff, unless they are advertising circulars and catalogues containing only a few pages.



(1) Evidence of Mr. G. N. BOWER, Collector of Customs, Calcutta, Mr. J. C. BANERJEE, Principal Appraiser, and Dr. S. S. AIYAR, Chemical Examiner, recorded at Calcutta on Monday, the 7th February, 1938.

B.—ORAL.

President.—First of all, on the general question, has the Tariff Board's classification of paper of 1936 worked satisfactorily?

Mr. Bower.—On the whole, yes. At first, there was some little difficulty till the trade got accustomed to the classification. After that, we had none.

President.—From the statement of disputed classes, I see there were some in 1935 and some in 1936, but I don't see any in 1937. Does that mean that there was none in 1937?

Mr. Banerjee.—None at all.

President.—That is satisfactory.

Mr. Bower.—We had one or two personal enquiries from the trade. When we explained the position, they generally accepted it.

President.—Perhaps we might now deal with the question of disputes. Taking the dispute of the "Statesman", I visited the "Statesman" office the other day and they produced two papers and said "Can you see any difference"?

Mr. Bower.—This is their weekly paper (copy shown). The quality of this paper differs from that of the paper used for their daily, so far as our ordinary tests with pen and ink are concerned. In the case of their daily paper, the ink is inclined to spread, whereas in the case of their weekly paper, as it has got a harder finish, the ink does not appear to spread at all. It could be used for writing. The spreading of the ink in the former case is noticeable, more particularly when looked at through a microscope.

Dr. Aiyar.—We have got a standard ink and pen in the Chemical Department, but in the Appraising Department they make a rough test.

Mr. Banerjee.—We considered that as hard sized paper.

Mr. Bower.—That paper could, I think, be sold at any time as writing paper. At present the position is that the Central Board of Revenue have not been able to find any suitable scientific method for distinguishing hard-sized from soft-sized paper. The Board is further considering the question in consultation with the trade but has tentatively decided that the existing method should continue to be applied and that difficult cases should be referred to the Special Chemical Adviser at Lahore (*vide* C. B. R. letter O No. 522-Cus. I/36, dated the 18th May, 1937). We referred the "Statesman's" case to Lahore and the Special Chemical Adviser agreed that it was hard-sized. The Governor General in Council agreed with my decision but in view of the somewhat indeterminate nature of the tests allowed the consignment to be assessed under item 44 (2) I. C. T. (Revision Application No. 32 of 1937). I went out with Dr. Dunncliff in July, 1936, to the Titaghur Paper Mills and we specially went into the question of hard and soft-sized papers. The technical experts at Titaghur said that they never apply any of the elaborate scientific tests. They considered that the ordinary test with pen and ink was perfectly satisfactory. The trade has in practice now accepted this test.

President.—There are many scientific tests invented but they are not all good.

Dr. Aiyar.—None of them is sufficiently complete. Probably the best is the latest electrical apparatus from Cambridge, *viz.*, the "Cambridge size tester", to find out how quickly the water penetrates through a paper

and that is supposed to be a fine test. This has also the limitations of the chemical penetration tests.

President.—The Tariff Board of 1936 hinted that if you could get a sizing test, it would be a good thing. That was more or less what was suggested.

Dr. Aiyar.—According to the last Tariff Board's report, they are only concerned with the writing quality. For that purpose surface sizing is quite sufficient. When we apply a penetration test for sizing, the thickness of the paper, internal sizing, humidity, temperature of the atmosphere, all these come in. Unless all these conditions are specified, the test is not reliable.

Mr. Bower.—If you carried out some of these scientific tests in Madras for instance in May when the temperature is over 100° and the air is very dry, paper might pass as hard-sized, but later on in October or November, when it rains in Madras, it would not pass because of the moisture in the atmosphere.

Dr. Aiyar.—Yes, because of the humidity.

President.—You will have to carry out the tests in a room with the same humidity.

Dr. Aiyar.—Humidity and temperature conditions must be constant. All these things make the test very elaborate.

President.—As regards the mechanical pulp content of paper, is the standard test working satisfactorily?

Mr. Bower.—With the allowance which we are permitted to add, it is working satisfactorily. Before it was not.

Mr. Banerjee.—Most of them are border line cases. With the allowances they are passed.

President.—There are two allowances. One is given more or less automatically and the other one, the Tariff Board suggested, should be given exceptionally. Do you give both the allowances in practice?

Mr. Banerjee.—In some cases we give both.

Mr. Bower.—In most of the border line cases, when there was a question of giving the extra allowance, we usually send samples to Lahore to be tested there. If their tests agree with ours—there are always a certain amount of experimental difference, due to personal equation between examiners we always give the extra allowance.

Mr. Banerjee.—We also call for documents from the party concerned to find out whether the order placed was for a paper containing not less than 70 per cent. mechanical pulp and if we are satisfied, we allow it to pass.

President.—You would only give the extra allowance if the importer genuinely ordered for a paper containing not less than 70 per cent. mechanical wood pulp.

Mr. Banerjee.—Yes.

President.—No better test has been discovered so far than the Spence and Krauss method.

Dr. Aiyar.—In fact, this is an improvement over the older methods. It is actually counting the number of fibres, taking into account the relative density of the constituent pulps. It is much more scientific.

President.—Since the question of pulp has been mentioned, I want to put before you the point that has been raised in regard to the duty on pulp. Is there any difficulty in distinguishing different kinds of imported pulp—sulphite pulp, easy bleaching pulp, bleached pulp, etc.? That is one of the questions raised by manufacturers. What do you take as the standard?

Mr. Bower.—I don't think that question has been sent to us.

President.—It has only just cropped up.

Mr. Banerjee.—Most of the importations in Calcutta are chemical pulp.

President.—Is there any difficulty in differentiating various kinds of pulp?

Dr. Aiyar.—No, provided they are not bleached. If they are bleached, they all become cellulose. If the characteristic impurities of various kinds of pulp are removed by bleaching, we could not distinguish them.

Mr. Bower.—Apparently it would not be a case like the sizing test where the appraiser can apply a rough and ready test. It would mean that all the importations of pulp would have to go to the Chemical Examiner.

President.—Would that be an elaborate test?

Dr. Aiyar.—No.

President.—There would not be much difficulty.

Dr. Aiyar.—No.

President.—A suggestion has been put forward that in order to encourage the manufacture of new classes of paper in India mechanical pulp and possibly sulphite or kraft pulp might be admitted free for a time. Then, of course, you get the question whether you can distinguish various kinds of pulp. There would not be any practical difficulty, would there be?

Dr. Aiyar.—No.

President.—Is there much difference in the prices of different kinds of pulp?

Mr. Banerjee.—No.

President.—There must be a difference between bleached and unbleached.

Mr. Banerjee.—Yes.

President.—Mechanical pulp would, I presume, be cheaper.

Mr. Banerjee.—Yes.

Mr. Bower.—We do not ordinarily get anything but chemical pulp.

President.—Does any mechanical pulp come in at all?

Mr. Banerjee.—We have not noticed any.

President.—Probably not, because there is no particular reason for importing it, but bleached pulp certainly comes in.

Dr. Aiyar.—Yes, both bleached and unbleached sulphite pulp comes in.

President.—Does any sulphate pulp come here?

Mr. Banerjee.—We have not noticed any.

Mr. Bower.—As the duty is the same, there is no necessity to scrutinise the descriptions and therefore too much importance should not be placed on these statements.

President.—It is a new proposition altogether.

Mr. Rahimtoola.—In your letter of 27th January, 1938, you say "with regard to the assessment of "glazed and unglazed" newsprint in reels, the distinguishing of the two varieties by more superficial examination may present some difficulty in border line cases". What exactly is the difficulty?

Mr. Banerjee.—In the invoice we ordinarily notice that semi-glazed paper is described as unglazed. But, according to the Central Board's order containing in their demi-official letter, D. O. C. No. 533-Cus. I/37, dated the 7th August, 1937, we have to assess semi-glazed as glazed, but it is sometimes very difficult to distinguish between semi-glazed and glazed paper and the importers also sometimes claim assessment at the lower rate as unglazed according to the invoice description.

Mr. Rahimtoola.—When do you call it semi-glazed?

Mr. Bower.—I am afraid we do not call any paper semi-glazed. We are only concerned with whether a paper is unglazed or not. There is no such thing as semi-glazed so far as we are concerned.

Mr. Rahimtoola.—At present they are all grouped under "glazed".

Mr. Bower.—We classify "semi-glazed" as other sorts.

Mr. Banerjee.—There are some qualities of paper called "semi-glazed" by the traders but in the invoice we have seen no such description. In the invoice it is called "unglazed".

Mr. Rahimtoola.—The Board must examine the working of the classifications in order to see whether it has succeeded. This is one of the points which may lead to disputes in the future. So, I want to know whether you could make any suggestions which we might consider which would do away with disputes in the future. There is no difficulty about distinguishing glazed from unglazed paper.

Mr. Banerjee.—Yes, in border line cases.

Mr. Bower.—We have said on several occasions that a certain paper cannot be considered to be unglazed but the importers have said "No, this paper is not described in the invoice as glazed. So far as we are aware there is no process of glazing undergone by the paper". But from the superficial tests which we make we are not satisfied that it is entitled to come in as unglazed.

Mr. Rahimtoola.—In case of disputes, such papers are sent to Lahore, are they not?

Mr. Bower.—No.

Mr. Rahimtoola.—Is the Collector's word final?

Mr. Bower.—Importers may appeal to the Central Board of Revenue, but so far there have been no appeals so far as glazed or unglazed paper is concerned.

Mr. Rahimtoola.—Is there some sort of test for distinguishing glazed and unglazed?

Mr. Bower.—So far only a rough method. In view of the orders referred to we must treat any paper which is not unglazed as glazed.

President.—At present it is not a question of classification: it is a question of tariff valuation.

Mr. Bower.—It is a question of distinguishing between unglazed and other sorts as by Notification No. 33, dated the 22nd June, 1935, as amended by Notification No. 56, dated the 10th July, 1937, the former is assessed at the specific rate of Rs. 1-8 per cwt. and the latter at Rs. 1-12 per cwt.

Dr. Aiyar.—Tests could be devised based on light reflections to find out whether a paper is glazed or not. There are tests for that purpose, but they are not applied unless the necessity arises.

Mr. Banerjee.—In border line cases, I took the samples to one or two experts but they could not say that the paper was semi-glazed or unglazed.

President.—What was the test which you actually applied?

Mr. Banerjee.—Only physical examination.

President.—Do you mean the feel of the paper?

Mr. Banerjee.—Yes.

Mr. Rahimtoola.—What test do you apply to distinguish between writing paper and cardboard or thick paper?

Br. Bower.—On the feel alone I think.

President.—The actual difference between thick paper and thin board is very slight?

Mr. Bower.—Yes. We should not class a postcard as paper because it is not technically known as paper. For instance this cover (shows cover of a file) we should not consider as paper although there are certain cartridge papers which are just as thick as this.

President.—The question has been raised particularly with regard to postcard. Postcard paper is classified as board but is actually used for writing. That question may possibly become important.

Mr. Bower.—Postcard is classified as cardboard and assessed under item 44, I. C. T.

President.—Would it be possible to distinguish between different kinds of board.

Mr. Banerjee.—Yes: there are several kinds—strawboards, pulpboard, millboards, cardboards, ivory boards. They are easily distinguishable and so far there have been no disputes.

President.—Strawboards come under item 44 (5) in the schedule suggested by the Tariff Board (page 21), and pasteboard, millboard and cardboard come under 44 (4). I take it there is really no difficulty in distinguishing strawboards from other boards. The difficulty is about distinguishing boards other than strawboards?

Mr. Banerjee.—Yes.

Mr. Rahimtoola.—Can you distinguish between pasteboard and pulpboard?

Mr. Banerjee.—Yes.

President.—Take pasteboard, millboard and cardboard: you can distinguish all three?

Mr. Banerjee.—Yes.

Mr. Rahimtoola.—I suppose you know what kraft pulp is?

Dr. Aiyar.—Yes.

Mr. Rahimtoola.—At present there are only two kinds of pulp imported easy bleaching sulphite and strong bleachable sulphite. These are chemical pulp?

Dr. Aiyar.—Yes.

Mr. Rahimtoola.—It can be distinguished from chemical pulp?

Dr. Aiyar.—Yes, when unbleached.

President.—In case the Board recommends on that point will there be any difficulty in administering it?

Dr. Aiyar.—No. We can distinguish sulphato, sulphite and mechanical. If it comes as bleached then only will the difficulty arise.

President.—Having dealt with the tests and the general question of classification, I think we might next pass on to the details of classification. Please see page 21 of the 1936 Report. The recommendations of the Tariff Board were not all accepted at the time. The changes proposed by the Tariff Board are in Italics. In item 44 the change was to "include envelopes made of writing paper". What are they at present classed as?

Mr. Banerjee.—We assess envelopes made of writing paper as writing paper, other sorts, under 44 (3) (b), Indian Customs Tariff.

President.—Do you think it will be an advantage to bring envelopes made of writing paper under the head of writing paper and subject it to the protective duty under section 44 (3) (a)?

Mr. Banerjee.—Yes, in some cases it will be an advantage as the alternative rate may yield more duty.

Mr. Bower.—This would give envelopes an alternative *ad valorem* duty instead of only a specific duty.

President.—About that alternative *ad valorem* duty, the point that struck us is that though the average revenue is 20 per cent., or more in some cases, in regard to protective duties the alternative is only 15 per cent. and at present it is 18½ per cent. In this sense it is rather anomalous.

Mr. Bower.—It is.

President.—When the protective duty was put on in 1927, it was discovered that the *ad valorem* duty would be more. Then they said one anna a lb. or 15 per cent. whichever was higher. But then the general level of duty was 15 per cent. Later on they raised the general level to 20 per cent. but they did not increase this 15 per cent. That is the anomaly. Do you know the reason for it?

Mr. Bower.—I cannot answer that question.

President.—It is in a sense a little anomalous that some kinds of protected paper should get in cheaper than at the general level of duty.

Mr. Bower.—The duty was 15 per cent. in October, 1931, the general surcharge of 25 per cent. raised it to 18½ per cent.

President.—Then the general revenue duty went up to 25 per cent.

Mr. Bower.—Yes. I should think it was possibly an oversight or because in the majority of cases the alternative specific duty was more often levied.

President.—I take it there are a few expensive kinds of paper on which if the duty was one anna or 20 per cent. more revenue would be coming in.

Mr. Banerjee.—So far as I remember four or five years ago this was pointed out to the Board but no orders have been passed.

Mr. Bower.—The surcharge of 25 per cent. on the existing duties gave a fortuitous extra protection which was not really intended.

President.—This question of surcharge has been specifically referred to us and it is open to us to make our recommendation in advance if we think fit. To turn to the schedule on page 21 of the 1936 report, in item 44 (1) the real change is "all coated papers but including art paper". Art paper is subject to a revenue duty?

Mr. Banerjee.—Yes; except those art papers which are specified under item 44 (1) on page 21 of Tariff Board's report.

President.—Is coated paper easily distinguishable?

Mr. Banerjee.—Yes.

President.—Would it be an advantage to make that change in the classification from the customs point of view?

Mr. Banerjee.—That would simply be in conformity with our practice. Since art paper containing no wood pulp or containing less than 70 per cent. M. W. P., is assessed at the specific (protective) rate under item 44 (1) of I. C. T.

President.—If you include art paper that would mean extension of protection. That was why it was not accepted by the Government of India. They said it was not expedient to bring in legislation; they did not turn down the proposal. They simply said that.

Mr. Banerjee.—Most of the art paper imported at this port is imitation art and is subject to a revenue duty. Since this contains more than 70 per cent. M. W. P.

Mr. Bower.—Mr. Banerjee suggests that nearly all imitation art papers contain more than 70 per cent. and as such they are classified under item 44 (2).

President.—Practically the distinction is the mechanical content of the paper between imitation art and real art?

Mr. Banerjee.—Yes. Real art paper is seldom imported.

President.—Looking at item 44 (3) on page 21, although this has not been included in the Tariff schedule, it is more or less in accordance with the customs practice to deal with the papers on this basis? Is that correct?

Mr. Banerjee.—Yes.

President.—44 (3) is really a better description?

Mr. Banerjee.—I do not think it makes any difference.

Mr. Bower.—I was under the impression that item 44 (3) on page 21 does not take into consideration the mechanical wood pulp content and Mr. Banerjee suggests that on test certain mechanical paper would be found to be classifiable under item 44 (2) as per note 2 attached to the Tariff schedule on page 21.

President.—Item 44 (2) bears revenue duty.

Mr. Banerjee.—Yes.

Mr. Bower.—Item 44 (2) is the ordinary standard rate of duty. I should like to know whether the paper included under item 44 (3) has to be considered in connection with its mechanical pulp content before I could answer how it would be assessed.

President.—As the proposed classification reads, nothing is said about the mechanical pulp. It simply says: "All machine glazed papers, stereo, all coated papers, etc."

Mr. Bower.—We finished with the mechanical pulp content with items 44 (1) and with 44 (2).

President.—In item 44 (3) mechanical pulp content does not come in.

Mr. Bower.—I think the papers specified in item 44 (3) would be correctly classified under item No. 44 of the I. C. T. which is preferential.

Mr. Banerjee.—Deep blue papers mentioned in item 44 (3) are not considered suitable for printing purposes and are therefore also assessable under item 44 of the I. C. T.

President.—This proposed change in classification might get round difficulties.

Mr. Bower.—Yes.

President.—What about coated papers?

Mr. Banerjee.—They are assessed under item 44, I. C. T. except art paper.

Mr. Bower.—That is what I suggest. The difficulty appears to be that coloured newspaper substance above 35·5 grammes per square metre is ordinary printing paper and therefore we have to assess it under the specific items in the tariff for "printing paper" and not "paper" only. "Printing paper" occurs twice according to the mechanical wood pulp, viz., items 44 (1) and 44 (2), I. C. T.

President.—What about machine glazed papers?

Mr. Banerjee.—If they are machine glazed printing, they come under item 44 (1), I. C. T. If they are machine glazed wrapping, they come under item 44.

Mr. Bower.—Item 44 (3) of page 21 includes several kinds which are subdivided in the present tariff. It includes "all machine glazed papers"; we classify machine glazed papers either as "printing paper",—in which case there are two definite classifications, viz., items 44 (1) and 44 (2), I. C. T.—or as "wrapping paper", under item 44 paying preferential duty.

President.—Item 44 (3) on page 21 is really 44 in the present schedule but split up and amplified. That is what it comes to. Strawboards, pasteboards and so on are put separately in the proposed new classification.

Mr. Banerjee.—Yes.

President.—It doesn't make any real change. It is only a question of the simplification of the schedule. Do you think it would be an improvement?

Mr. Banerjee.—Yes.

President.—The proposals made on page 21 under items 44 (3) and 44 (4) are more or less covered by item 44, I. C. T. at present.

Mr. Bower.—Presumably we should still assess newsprint at the protective rate if it contained less than 70 per cent. mechanical wood pulp.

President.—It would come under the heading of printing.

Mr. Bower.—In those circumstances I should have no objection.

President.—In this schedule writing paper comes first and then printing paper, and 44 (3) would be mainly wrapping paper, would it not?

Mr. Bower.—"All unglazed thin news up to substance 35·5 grammes per square metre" would include a good deal of newsprint.

President.—It goes on to say; “except white and buff or badami above substance 26·6 grammes per square metre”. The question has been raised as regards badami. There has always been some difficulty.

Mr. Banerjee.—It is never imported at this port.

President.—It is imported in Bombay.

Mr. Banerjee.—Yes and in Madras.

President.—Badami really means buff.

Mr. Banerjee.—Badami is the Indian name. Buff is English expression.

President.—It is the same thing.

Mr. Banerjee.—Yes.

President.—Would it not be better to call it buff and be done with it?

Mr. Banerjee.—Yes.

President.—The real question is whether it contains pigment or not.

Mr. Bower.—That was the ruling of the Government of India, Department of Commerce—“Buff and badami papers mean papers in the manufacture of which no dyes or pigments have been added” [*vide* Appendix to Resolution No. 202-T. (3)/35, dated the 23rd May, 1936]. By Commerce Department Resolution No. 202-T. (3)/36, dated the 10th October, 1936, however, this definition was cancelled.

President.—It is really a rough paper containing no pigment.

Mr. Bower.—I would not agree with that. My own impression is that the buff paper probably might contain a certain amount of colouring matter to give it the standard buff tint.

President.—The word “badami” refers to colour. It really means almond. It is not really a class of paper though it is called Badami.

Dr. Aiyar.—Most of the buff paper contains pigment but not necessarily so in the case of badami. They can even use reclaimed papers, such as de-inked newspapers, paper cuttings from presses, etc. If the pulp is not strong enough they add the required quantity of sulphite pulp to give it strength. They could easily produce a writing paper of inferior quality.

President.—Distinction is made between bleached and unbleached. Unbleached paper really means semi-bleached paper.

Mr. Bower.—We want to avoid having to determine when a paper is semi-bleached.

President.—I don't think any paper is really unbleached. There is a certain amount of bleach in all papers. That is the difficulty.

Mr. Bower.—Yes.

President.—Manufacturers say the real distinction lies between partially bleached and fully bleached.

Dr. Aiyar.—Any paper that contains unbleached pulp must be considered as unbleached and not as semi-bleached, otherwise we will have to find out the degree of bleach by an elaborate test. We can do that but not as a routine matter.

President.—Badami paper above substance 26·6 grammes per square metre is classed as writing paper.

Mr. Bower.—Yes, it would probably be writing paper.

Mr. Banerjee.—They are known in the trade here as Account Book Papers.

President.—It is classed as writing paper.

Mr. Banerjee.—Most of the Account Book paper used by Marwaris in writing up their accounts is badami.

President.—What do you think generally about the proposed 44 (3)? Would that give rise to difficulties?

Mr. Banerjee.—No.

President.—Would it be an improvement?

Mr. Banerjee.—Yes.

Mr. Bower.—I think it would be an improvement.

President.—Instead of saying "except white and buff or badami above substance 26·6 grammes per square metre", would it not be better to say "except paper containing no pigment" or something of that sort instead of specifying the colour?

Mr. Bower.—As buff and badami generally do contain some pigment it will still be under item 44 (3), but being coloured the criterion will be 35·5 grammes per square metre, this suggestion would exclude them from item 44 (3).

President.—Or will you say: "except paper above substance 26·6 grammes whether it contains pigment or not"?

Mr. Bower.—I prefer the latter, but I think we should say "except white, grey or buff paper above, etc.", this will necessitate the words "white, grey or buff" being substituted for "white and buff or badami" in the last but one line of Note 2 on top of page 22.

President.—The matter is of some importance, because we have been told that in order to get over the tariff classification some kind of paper of pink colour is imported. It is really ordinary badami and escapes protective duty.

Mr. Bower.—Most of the thin newsprint contains pigment. Some of the local Vernacular papers have definitely got a certain amount of pink pigment.

President.—They are classed as printing.

Mr. Bower.—Yes.

Dr. Aiyar.—Even in the case of white printing papers, they use a certain amount of blue colour to cover up the shade of the unbleached mechanical wood pulp.

President.—As regards item 44 (3) can you make any suggestions with regard to this: "Except white and buff or badami above substance"?

Mr. Bower.—My difficulty is this. If you make it "except papers containing no pigment", you are not going to exclude buff or badami. At present these are treated as printing paper. Personally I would prefer to have "except white, grey or buff paper above substance 26·6 grammes per square metre whether it contains pigment or not".

President.—The real trouble is some badami paper which is really printing paper is really used for writing. That is the trouble of the manufacturers.

Mr. Bower.—Yes.

President.—Would it simplify matters if you made both of them one anna three pies or 18½ per cent. *ad valorem* whichever is higher?

Mr. Bower.—It would simplify matters although it would involve finding out whether the *ad valorem* or the specific duty is higher.

President.—It will enable you to get over the difficulty of distinguishing writing from printing paper.

Mr. Bower.—We should still have to ascertain the mechanical wood pulp content.

President.—At present, the difficulty arises—leaving aside the question of mechanical pulp content—in distinguishing writing and printing papers which you will settle by the writing test, but that difficulty would not arise if they are both subject to the same duty. No doubt from the Customs' point of view, it would simplify matters to have a specific duty and not to have an alternative *ad valorem* duty.

Mr. Bower.—Yes.

President.—Is there much paper coming in subject to the alternative *ad valorem* duty in practice under the head of writing paper?

Mr. Banerjee.—No.

Mr. Bower.—Envelopes come in. From the Customs' point of view we have no objection to your putting the same maximum duty on writing and printing paper all the way through.

President.—Actually no writing paper would be subject to the *ad valorem* duty of 18½ per cent. under item No. 44 (1) of the Tariff Schedule.

Mr. Bower.—No. Most of it would come in at the specific rate, but we should always have to verify this. Assessments are scrutinised not only by the appraisers but by the Audit Department to see that no evasion occurs.

President.—What kind of writing paper comes in subject to the *ad valorem* duty?

Mr. Banerjee.—Letter papers with printed headings, forms, account books, exercise books, bound books, etc.

President.—Supposing you extended the alternative *ad valorem* duty to item No. 44 (1)?

Mr. Bower.—It might yield more duty than the protective rate.

President.—The specific duty would nearly cover all printing paper.

Mr. Bower.—Yes.

President.—Could you think of any printing paper which would be subject to the *ad valorem* duty?

Mr. Bower.—It would depend on the price. Last year the price appreciated to such an extent that Government decided to exempt newsprint from the excess *ad valorem* duty (*vide* Notifications Nos. 56, dated the 10th July, 1937 and 100, dated the 18th December, 1937).

President.—It is tantamount to reducing the duty.

Mr. Bower.—Yes. The great majority of newsprint would come in at the specific rate and not at the *ad valorem* rate, but that does not necessarily mean that we could ignore the latter.

President.—From the Customs' point of view it comes to this: would you gain more by no longer having the distinction of writing and printing paper as against having to examine the *ad valorem* value of the printing paper?

Mr. Bower.—I think we should gain, because if both writing and printing paper are subject to the same duty there would be no disputes.

President.—If you make changes, they would give rise to new complications. A good deal could be said in favour of sticking to the thing to which you are used.

Mr. Bower.—That is what I said in the beginning (see page 1). We are always liable to have difficulties when there is a change. As soon as the trade and the Customs understand the changes there is no trouble.

President.—In amalgamating the writing and printing paper and making it subject to the same duty, no complications would arise but the only difficulty might be the valuation of the paper.

Mr. Bower.—Then we should have to scrutinize the invoices to satisfy ourselves as to whether importers declare the correct amount of duty. You cannot rely on an importer declaring that the paper is assessable at the higher rate of duty although he ought to do so.

President.—Are there many disputes about valuations of paper? A good many complaints were made to the Tariff Board during their previous enquiries.

Mr. Bower.—I do not remember many disputes at Calcutta except in the case of tissue paper, which was first assessed on the market value, but subsequently re-assessed on the c.i.f. value.

President.—I think probably there is more in Bombay. A suggestion has been made in regard to the extension of protection that cartridge

paper should be protected. Would there be any technical difficulty in distinguishing cartridge paper?

Mr. Banerjee.—No. There are drawing cartridge and printing cartridge.

President.—What is cartridge paper coming under?

Mr. Banerjee.—All cartridge paper below 24 lbs. demy is taken as printing paper.

President.—Under what item would cartridge paper be assessed if it is above 24 lbs. demy?

Mr. Banerjee.—It will be assessed under item No. 44, I. C. T.

Mr. Bower.—We wanted to assess offset cartridge paper at the protective rate under item 44 (1), I. C. T. as it was found on testing to contain less than 70 per cent. The importers contended that although it was to be used on offset machinery it was not printing paper and Government accepted it.

Mr. Banerjee.—Offset printing is a special process.

President.—Still it is printing.

Mr. Bower.—It was ruled that in the case of cartridge paper the criterion of substance is the only one which should be applied and therefore assessable under item 44, I. C. T.

President.—Supposing all cartridge was protected, would there be any difficulty in distinguishing cartridge paper?

Mr. Bower.—No.

President.—Would there be any difficulty in distinguishing drawing cartridge, printing cartridge and offset cartridge?

Mr. Banerjee.—They are distinguishable.

President.—Supposing drawing cartridge was protected?

Mr. Banerjee.—The surface of drawing cartridge is rough whereas the surface of printing cartridge is smooth.

President.—Supposing drawing cartridge is protected under what item would you bring it, writing or printing—I suppose writing?

Mr. Bower.—Certainly.

President.—Printing cartridge would come under printing.

Mr. Banerjee.—Yes.

President.—If offset cartridge is protected it will also come under printing.

Mr. Banerjee.—Yes.

President.—Have you any suggestions about the improvement of the classification? We would like to know in the first place whether you still think that the classification suggested on page 21 of the 1936 Tariff Board report would do and in the second place what would be the effect of the amalgamation of printing and writing paper and what difficulties would arise.

Mr. Bower.—It would be helpful if we knew the general trend of the importers' views.

President.—We would let you know what they say about the classification as soon as we get their recommendations.

Mr. Bower.—We shall go into the matter very carefully and let you know our results in due course.

President.—There is a suggestion from 4 to 5 mills to manufacture kraft paper. Is there any difficulty in distinguishing kraft paper from the Customs point of view if protection is given to that paper?

Mr. Bower.—No.

Mr. Rahimtoola.—At present a large quantity of kraft paper is being imported.

Mr. Bower.—Yes.

President.—Perhaps you might consider the question of finding out the difference between different kinds of pulp.

Mr. Bower.—It is not so easy because we have not got samples before us and we cannot consider it unless we have the samples.

Dr. Aiyar.—I had all the samples in Bombay and I think I shall be able to get them.

Mr. Bower.—We have got only 10 days and we cannot collect many samples.

Mr. Rahimtoola.—We want broad classifications—mechanical pulp, chemical pulp and kraft pulp. These are the three classed under chemical pulp; there are various other kinds of pulps.

President.—Sulphate, sulphite and kraft: you might also say soda process.

Dr. Aiyar.—Soda process is not much used now. Both soda and sodium sulphate are used in the sulphate process. In fact sulphate process is a modification of soda process.

President.—Take sulphate, sulphite and then mechanical. You might consider this question as the question of pulp may be important in case a distinction has to be made.

Dr. Aiyar.—Yes.

President.—With regard to manilla paper, originally manilla paper was made out of manilla hemp but now it is made out of almost anything.

Dr. Aiyar.—Yes and such paper used for most of the purposes for which manilla was used. In fact kraft pulp is used for manilla.

Mr. Banerjee.—Real manilla is very seldom imported.

President.—Is kraft and manilla used for the same purpose?

Mr. Banerjee.—For envelopes, yes. Both are strong.

President.—They are used for the same purpose?

Mr. Banerjee.—Usually yes, where strength and durability are required.

(2) Evidence of Mr. G. N. BOWER, Collector of Customs, Calcutta, Mr. J. C. BANERJEE, Principal Appraiser and Dr. S. S. AIYAR, Chemical Examiner, recorded at Calcutta, on Friday, the 18th February, 1938.

President.—Since we met you last, we had a discussion with the Paper Makers' Association besides individual mills and with the importers and traders and they are all unanimous that they are more or less satisfied with the present classification and that they do not want any changes except that the paper makers have proposed some slight extensions of the scope of protection. No one has been able to suggest a better or a simpler classification. I do not know whether you have thought over the matter further.

Mr. Bower.—In my previous notes I have suggested certain alterations in the classification which we discussed last time. I have nothing further to say.

President.—If I remember right, there is nothing very important.

Mr. Bower.—No.

President.—I think we sent you a copy of the revised classification which the Paper Makers propose. In item No. 44, they have proposed some changes.

Mr. Bower.—I have just been given that.

President.—They suggest that item No. 44 (3) should be altered to read as follows:—

“Papers including all machine glazed papers, stereo, all coated paper except art paper”

So far, they agree with the classification made by the Tariff Board of 1936. As regards deep blue papers they have added a word “wrapping” before paper. They agreed that by putting in the word “wrapping” they did not really carry the matter further very much. If it is wrapping paper, it would be treated as wrapping paper. If it is paper that could be used for writing or printing, it would come under the protective duty. That is the position.

Mr. Bower.—Yes.

President.—I don't think that the addition of the word “wrapping” really helps matters, and they did not press it very seriously. They said that it was only an amplification. They agreed with what was done in practice. They only wanted to make it plain. I don't think that the addition makes it plainer, does it?

Mr. Bower.—I don't think so.

President.—The suggested item reads as follows:—

“Papers including all machine glazed papers, stereo, all coated paper except art paper, all deep blue wrapping papers, all unglazed thin news up to substance 35.5 grams per sq. meter, except white and buff or badami and glazed white or buff casing”

By casing paper, they mean wrapping paper glazed on both sides. The importers and traders are very much opposed to this change. They say that even if it is glazed on both sides, it is not really used for writing or printing, though they agreed that it could be. Is there really much difference between this and ordinary wrapping paper except that it is glazed on both sides?

Mr. Rahimtoola.—Can this be used for writing purposes?

Mr. Banerjee.—I don't think so.

President.—You can write on it and print on it.

Mr. Bower.—Ordinary wrapping paper is rough on one side and glazed on the other. It could be used for writing.

President.—I think they said that it could be used as account book paper.

Mr. Rahimtoola.—As a substitute for buff and badami.

Mr. Bower.—I don't think that that is the paper ordinarily used in Marwari account books.

Mr. Banerjee.—They use definitely badami paper, but not this type of paper glazed on both sides. I have never seen it used as account book paper.

President.—Apparently it is used as a lining for boxes.

Mr. Banerjee.—Yes.

Mr. Bower.—It has a very uneven composition.

President.—I think we have dealt enough with the question of casing. The item reads:—

“or white and buff manilla paper above substance 26.6 grams per sq. meter, all sorts not otherwise specified.”
What do you think of manilla?

Mr. Banerjee.—So far as we know, the only use of manilla is for wrapping purposes and for making envelopes.

President.—For which purposes kraft is also used?

Mr. Banerjee.—Yes. It is a very strong and durable paper. It is used for wrapping purposes.

President.—It is not used for writing or printing.

Mr. Banerjee.—Not that I know of.

President.—Again, the importers and traders were very much opposed to the idea of making any change about manilla paper.

Mr. Bower.—I don't see any necessity for it.

President.—Before we go on to what the importers say, there is another point raised by the mills. They say that they are now making drawing cartridge and they rather want protection for that. Actually the importers and the traders say that the drawing cartridge made by the mills is very inferior to the imported stuff. In regard to cartridge paper, according to the Customs practice, if it is above a certain weight, it is subject to revenue duty.

Mr. Banerjee.—Yes, if it is above 24 lbs. demy.

President.—That was the recommendation of the classification Board.

Mr. Banerjee.—If it is below 24 lbs it is printing.

President.—Is there much coming in below 24 lbs.?

Mr. Banerjee.—Not much.

President.—There is some which you classify as cartridge paper.

Mr. Banerjee.—If it is below 24 lbs. it is classified as printing.

President.—According to the trade usage it is called cartridge.

Mr. Banerjee.—Yes, it is used mostly for printing forms, etc.

President.—The suggestion was made that possibly you might raise the weight a bit to bring in more cartridge paper under the protective duty. Would that be feasible or how would that affect the situation supposing you raised the weight, for example, to 28 lbs. instead of 24 lbs.?

Mr. Bower.—That would bring in a good deal of paper which is definitely used for drawing purposes.

Mr. Rahimtoola.—By school children.

Mr. Bower.—Yes, in exercise books and drawing books. Such paper is not made by the Indian mills so far as I know.

President.—They do claim that they are making it.

Mr. Bower.—Up to that specification?

President.—It is rather an inferior quality.

Mr. Bower.—I don't think that they are making above 28 lbs.

President.—If you raised the weight to 28 lbs. it would bring in a good deal more drawing paper under protection.

Mr. Bower.—Yes.

President.—Why was "24" selected? Is there any particular virtue in that figure? Why not more than 25 or 26 or below 23?

Mr. Banerjee.—Some drawing papers used for school drawing books are below 24 lbs.

President.—So they are already protected.

Mr. Banerjee.—Yes. This (sample shown) is exclusively used for drawing purposes because it has a rough surface.

President.—What sort of weight would that be?

Mr. Banerjee.—A little above 24 lbs.

President.—Is there any particular merit in the figure 24? Does it conform to any particular trade usage? Why was 24 pitched upon?

Mr. Bower.—I do not know. We did take this matter up and our orders were definitely that in case of cartridge the criterion is the substance which is the only test to be applied.

Mr. Rahimtoola.—Anything below that would not be used for drawing purposes. That is what the mills themselves said during the last inquiry.

President.—In some exercise books drawing paper below 24 lbs. is used.

Mr. Banerjee.—Yes, it is actually used but it is an inferior quality.

Mr. Bower.—We get a definition of cartridge paper in Sindall's paper technology. It is given as an ordinary quality of drawing paper made from rag or wood pulp, strong and opaque. The use of cartridge paper for drawing appears to be the primary consideration, but why 24 lbs. exactly was chosen I do not know.

President.—I wonder if you could let us know why 24 was chosen.

Mr. Bower.—We shall try and find out and let you know.

President.—There is one other thing about cartridge paper, and that is offset cartridge. Though it is used for a kind of printing, it is subject to revenue duty.

Mr. Bower.—Yes.

President.—But offset cartridge is not made in India.

Mr. Banerjee.—No.

Mr. Rahimtoola.—Not the kind of quality which is imported.

Mr. Banerjee.—No.

Dr. Aiyar.—If you could get samples actually used for exercise books for drawing purposes, we could easily find the weight and say what kind of paper was being used to make these things. We can easily calculate the weight per ream.

President.—Have we got samples of cartridge paper?

Mr. Bower.—Here are two qualities in my file.

President.—The quality put in by Titaghur does not seem to be so bad.

Mr. Bower.—No. The imported paper is a better quality than the so-called cartridge paper used in school drawing books.

President.—Are there any other qualities of cartridge paper than offset cartridge and ordinary drawing cartridge?

Mr. Banerjee.—There is the printing cartridge.

President.—Drawing cartridge is treated as printing paper?

Mr. Banerjee.—Yes.

President.—How do you distinguish between printing cartridge, offset cartridge and drawing cartridge?

Mr. Banerjee.—In the case of printing cartridge our criterion is cartridge paper below 24 lbs. That is the Government order.

President.—Would there be any difficulty in distinguishing offset cartridge from drawing cartridge?

Mr. Banerjee.—No.

President.—What will be the weight of offset cartridge?

Mr. Banerjee.—They are heavier than 24 lbs.

President.—Are they heavier than 26 lbs.? Here are samples put in by the mills (shown).

Mr. Banerjee.—Yes. The surface of the offset cartridge is always smoother than drawing cartridge.

President.—There isn't very much difference between offset cartridge and drawing cartridge put in by Titaghur.

Mr. Banerjee.—I think the drawing cartridge is definitely rougher: on the other hand offset cartridge is a smoother and heavier paper.

President.—How do you think these papers compare with the imported papers?

Mr. Banerjee.—These are serviceable papers, but they are not of even texture throughout as the imported papers.

President.—We might get a bigger range of samples from the importers and then compare them. We might also send them to the Controller of Stationery and get his opinion.

Dr. Aiyar.—Generally high class cartridge paper is made from rag and the second class is made from sulphite: I do not know what the Indian paper contains.

President.—We will now go on to the question of badami. What is the real distinction between badami and other papers?

Mr. Bower.—We have got different shades from Madras but have never noticed any importation of this in this port.

President.—The tariff schedule does not refer to badami: it is only a question of Customs practice?

Mr. Bower.—Yes. Here is a range of badami papers sent to us from Madras (samples shown).

President.—How do you distinguish badami from the other paper?

Mr. Banerjee.—No case has arisen in this port as there is no importation.

Mr. Bower.—We would probably compare it with the samples sent from Madras. I do not think it is actually difficult to tell what is a badami paper. We know what the weight is and what badami colour is.

President.—How does the weight differ from other paper?

Mr. Banerjee.—Substance 26.6 grams is the criterion.

President.—To put it in another way, is there any point in having "buff, white or badami"?

Mr. Banerjee.—Substance is the criterion for white and buff.

President.—Is there any point in putting the words white and buff?

Mr. Banerjee.—We suggested white, grey and buff.

President.—We still find some difficulty in seeing where the real difference comes in or how you distinguish what is known as badami paper from other paper. Perhaps we had better consult the Customs Collector, Madras who has real experience of the thing.

Mr. Bower.—The Customs Collector is merely an executive officer. I do not know who proposed this distinction: he merely has to carry out the distinction. I do not know whether there are any special reasons for this distinction.

President.—Do you know why this question of pigment and dyes was dropped?

Mr. Bower.—We objected to the original definition that buff and badami was paper containing no pigment because we found it actually did contain pigment. We brought this to the notice of Government and they issued the correction in October, 1936.

President.—We will write to the Government of India and ask them about this.

Mr. Bower.—We made a representation to the Government of India about this difficulty and subsequently they cancelled the order (correspondence shown).

President.—By dropping this distinction between paper with pigment or dyes and paper with no pigment or dye they seem to have removed the distinction between badami and any other quality of paper. Is not that the real position? Of course the whole idea was to make a class of paper which was only known as badami whatever the colour was, but then it had got to be applied to a particular class of paper. In order to make the distinction, the Government of India originally put in this resolution about pigments and dyes because they then assumed what is commonly known as badami has no pigment. It is exactly back to the old position: the paper is precisely the same as any other coloured paper.

Mr. Bower.—I think badami paper was made in jails at one time?

President.—Generally speaking badami paper is not so much bleached as the other paper?

Mr. Bower.—No, the whole idea is cheapness.

President.—We will pass on to another point which is not strictly within our purview but which is raised by the importers and traders. Their contention is that in Calcutta values are generally taken as the market values while in other ports values are taken as the invoice value.

Mr. Bower.—I have explained that in a note which I sent you on Wednesday. Section 30 of the Sea Customs Act requires us to assess on the wholesale market values, if such values exist at the time and place of importation. We have no option in the matter. In Calcutta there might be a wholesale market value but in Bombay there might not be a wholesale market value or the wholesale market value in Calcutta might differ materially from that in Bombay.

Mr. Rahimtoola.—Sea Customs Act mentions the time and place of importation?

Mr. Bower.—Yes.

President.—The point raised by the traders was that sometimes papers are admitted cheaper on the invoice value and the Madras traders were able to undersell the Calcutta people.

Mr. Bower.—It frequently happened in the past that when there was no market value say in Rangoon for certain goods, importers would clear their goods at Rangoon paying duty on invoice price, ship them to Calcutta as coasting (free) cargo and undercut the Calcutta prices, because in Calcutta there was a high wholesale market value. The same applies to Karachi and Bombay.

President.—In some ways would it not be more satisfactory if there was a market value anywhere in India to take that as the standard for all ports?

Mr. Bower.—I think it would be very difficult in practice. When we change assessment from 30 (a) to 30 (b), we advise the other ports that we have done so in order that they may revise their own lists of market values for instance if we find that tissue paper is being sold in quantities large enough to have a wholesale market value in Calcutta, Bombay would then look into their position and see whether there was a

wholesale market value there also. That is the only sort of co-ordination we have. Government is entitled to duty on the wholesale market value, where one exists, and not on the cost of importation.

President.—My point is if there was a market value in any port in India, that should be treated as the market value for the whole of India.

Mr. Bower.—That is a general question which I don't think would be acceptable. You should not penalise trade in one port, because of a tremendous demand in another, which creates artificially high market values. Your suggestion has never been adopted in this country. I don't think you should make people in Calcutta, if the market was cheap, pay a higher price, merely because there had been a boycott in Bombay of foreign goods and the market prices had gone very high. The alternative is to fix tariff values.

President.—That is an alternative. They like to extend the tariff valuation. Do you see any objection to that?

Mr. Bower.—No.

President.—To have a larger range of tariff valuation. That is the only solution to get over the difficulty.

Mr. Bower.—That is tantamount to the same thing. Tariff valuations are for all India.

President.—For how many classes of paper you have got tariff valuation?

Mr. Bower.—I have mentioned them in my note.

President.—Are there any beyond those mentioned in the schedule?

Mr. Bower.—No.

President.—There are five. Could you suggest any particular class of paper for which it would be convenient to fix a tariff valuation?

Mr. Bower.—You could only fix tariff valuations for the standard classes of paper. There are so many different qualities and varieties of wrapping papers.

President.—They have got manilla and kraft.

Mr. Bower.—I think in principle you could only fix tariff values for definite qualities which are generally imported. You could not fix a tariff value for one particular make of paper only.

President.—For example could you fix a tariff value for cartridge paper?

Mr. Bower.—We should specify a particular substance for each.

President.—Below a certain substance comes under the protective duty and above a certain substance under the revenue duty.

Mr. Bower.—Yes, but if you take paper above 24 lbs. to fix a tariff value you would presumably have to take a paper of an average substance. Supposing they go from 24 to 48 lbs. you will have to fix it to be fair to both classes of people at somewhere about 36 lbs., find out the average price of 36 lbs. and fix the tariff value thereby penalising people who are importing paper of lesser substance and letting off lightly people who are importing paper of higher substance.

President.—That might apply to kraft, but the imitation kraft is cheaper than real kraft.

Mr. Banerjee.—The difference is not much. The difference is only £1-10.

President.—There is a difference.

Mr. Banerjee.—The difference is only £1-10.

President.—Do you think it might be difficult to extend it?

Mr. Bower.—It could only be possible on specified papers.

President.—Could you specify any paper for which tariff values could be given?

Mr. Bower.—Not off-hand. It is a question for the Director General of Commercial Intelligence. He knows much more about it than we do.

President.—You do allow a certain latitude already between the scale weight and nominal weight.

Mr. Bower.—Yes.

President.—I have a note on the subject containing the ruling of the Central Board of Revenue.

Mr. Banerjee.—5 per cent. is allowed.

President.—I don't think the importers are aware of that.

Mr. Rahimtoola.—Is duty charged on the nominal weight?

Mr. Banerjee.—Duty is charged on the net specification weight. Specification weight is the actual weight.

Mr. Rahimtoola.—Inclusive of wrapper.

Mr. Banerjee.—Exclusive of outside wrapper.

President.—Provided the specified weight didn't differ from the nominal weight or from one another by more than 5 per cent.

Mr. Banerjee.—Nominal weight is the weight charged on the invoice.

President.—So a certain margin is allowed.

Mr. Banerjee.—5 per cent.

President.—Are there any other points which you would like to raise arising out of our previous discussion?

Mr. Bower.—I don't think so. I have gone carefully through the evidence and with your permission we have altered it very considerably. We had no questionnaire before us.

Mr. Banerjee.—The other day you enquired our opinion about the amalgamation of writing and printing paper. I have considered that question. I don't think it will be possible to amalgamate as the printing has got two categories, one protective rate and the other revenue rate. So if we amalgamate printing and writing, then the tariff would be cumbersome.

Mr. Rahimtoola.—It would not be practicable?

Mr. Bower.—No.

President.—The importers told us that the amount of printing paper imported which would be subject to the 25 per cent. revenue duty is very small indeed. It is nearly all subject to the specific duty. That is probably the reason why the alternative was not put on, but it doesn't matter very much. If you made it subject to the specific duty, the quantity of paper that would be affected by it would be very negligible. Anyway they didn't worry about it.

Mr. Bower.—We have already given you a note on pulp.

President.—Manufacturers have withdrawn their proposal regarding that.

(3) Evidence of Mr. P. N. CHANDAVARKAR, Mr. S. GRACIAS and Mr. R. D'SOUZA, recorded at Bombay on Monday, the 14th March, 1938.

President.—Mr. Chandavarkar, you are the Collector of Customs, Bombay?

Mr. Chandavarkar.—Yes, and Messrs. Gracias and D'Souza are my technical advisers.

President.—In regard to the new classification of paper which was introduced as a result of the enquiry by the Tariff Board in 1935 you say there were few cases of dispute. Were those in 1936 or 1937? You have given a list of the disputes but you do not give the dates. I ask this question because in Madras and Calcutta there have been few disputes in 1936 and in 1937 disputes were nil.

Mr. Gracias.—In 1937 there were some disputes as regards hard sized paper. That was early in 1937.

President.—What was the date of the disputes?

Mr. Gracias.—Before May, 1937.

President.—Consignments were all received in 1936 and the disputes might possibly have been settled in 1937, but they all arose in 1936. Were there any disputes in 1937 as far as you are aware?

Mr. D'Souza.—Not after May, 1937.

President.—Will you just verify that no disputes arose in 1937?

Mr. D'Souza.—Yes.

President.—The same tests have continued as previously?

Mr. Chandavarkar.—Yes.

President.—The Tariff Board suggested a sizing test. No one has been able to suggest a more satisfactory test. What is your opinion about that?

Mr. Chandavarkar.—No one has been able to devise a more satisfactory method.

Mr. Gracias.—A representative of Messrs. Killick Nixon and Co. who are the representatives of the Titaghur Paper Mills came to see the Assistant Collector in charge Appraising Department, and brought with him a sample of paper which he thought was not being passed at the protection rate and asked what was our method for determining whether a paper was hard sized or not. He was informed that the paper in question was being assessed at the protection rate and that the ink test was being used. He recommended that a certain type of Electric machine he knew about should be used for the propose, whereupon he was asked to make his suggestion in writing, which has not been received so far.

President.—Titaghur have withdrawn that suggestion. We were told that there were 27 different kinds of machines for testing the sizing are in existence but none of them have proved completely satisfactory.

Mr. Gracias.—The sizing appears to vary according to the water that is used. Water from one river gives a different result to that from another and so on.

President.—There is some difficulty in distinguishing one class from another class of newsprinting. What were those difficulties? The Collector of Customs, Calcutta, says "the distinguishing of glazed and unglazed newsprint in reels by mere superficial examination may present some difficulty in border line cases".

Mr. D'Souza.—We have not had any difficulty as regards that.

President.—In regard to the tariff valuations which have been given for certain classes of paper the Importers' and the Traders' Associations have raised the point that there is no tariff valuation: in some cases you take

the market value and in others you take the invoice value and the point they have made is that if you take the market value in one port and invoice value in another port, the importer would be at an advantage at your port when you take the invoice value. Has that difficulty arisen?

Mr. Chandavarkar.—That is the position under the Sea Customs Act now.

President.—Has there been any complaint about that?

Mr. D'Souza.—No.

President.—If in Calcutta the market value is taken and in Bombay the invoice value, then the importers in Bombay would be at an advantage as compared to importers in Calcutta.

Mr. Gracias.—That is so. But it may so happen that the importation in Calcutta may be very small and the market conditions may be different.

President.—If the import is considerable you take the invoice value?

Mr. Chandavarkar.—It does not depend entirely on imports.

President.—It has been suggested that the range of tariff valuations may be extended to other classes of paper but in order to have a tariff valuation there must be a class of paper distinct from other papers and the range of values of that class of paper must be not too wide. Can you suggest any class of paper to which a tariff valuation may be given and which is not given at present?

Mr. Chandavarkar.—None at present.

President.—You have a general tariff valuation for the ports of India.

Mr. Chandavarkar.—Yes.

President.—It is done by the D. G., C. I.

Mr. Chandavarkar.—Yes, in consultation with all the Custom Houses.

President.—Can you suggest any class of paper which may be given a tariff valuation.

Mr. Chandavarkar.—We take up that question every year.

President.—That simplifies Customs administration to some extent. You are not in a position to suggest any distinct class of paper?

Mr. Chandavarkar.—Not at present. We shall probably consider that question only next October or November.

President.—That brings up another point about the present classes of paper that are distinguished in the Customs returns. The question has been raised that some more details might be furnished about other classes of paper or paper boards. The question arose particularly in regard to mill boards, insulation boards and so on. They are all classed together as boards. Would there be any difficulty in distinguishing the different kinds of boards in the Customs returns?

Mr. Gracias.—The invoice always shows whether they are cardboards, strawboards and so on. Strawboards are already shown separately.

Mr. D'Souza.—We get corrugated cardboards also.

President.—Insulation boards?

Mr. D'Souza.—Very rarely.

President.—Is there any other class of paper which you would suggest might be shown separately in the Customs returns?

Mr. D'Souza.—We are specifying greased wrapping papers recently.

President.—Since when?

Mr. D'Souza.—The suggestion has come recently.

President.—Are there any other suggestions for showing different classes of paper separately?

Mr. D'Souza.—Most papers are specified separately.

President.—“All other sorts not otherwise specified.” Does that contain large quantities of paper?

Mr. D'Souza.—We get large quantities of these.

President.—What qualities are they?

Mr. D'Souza.—Writing paper.

President.—At any rate the only suggestion you have at present is to show greazed paper separately?

Mr. D'Souza.—Yes.

President.—Would it be possible to show pasteboard, millboard and cardboard separately without much difficulty? You could give the quantities?

Mr. Gracias.—There will be no difficulty because the invoice shows them separately. At present they all come under cardboard.

President.—In regard to advertising circulars, do they usually come in bulk, by book post or how do they come?

Mr. Gracias.—Mainly in bulk.

President.—Do they come by post?

Mr. Gracias.—They come in large consignments as cargo.

President.—There is some alteration in the Customs practice about that?

Mr. Gracias.—We are always charging duty on consignments in posted as cargo while those imported by post are free under the Tariff.

President.—Do many come by parcel post?

Mr. Chandavarkar.—They are free as printed matter. There is no change of practice so far. If it comes by post it is admitted free.

Mr. D'Souza.—Catalogues in book form are free.

President.—Do they come by post or in large consignments?

Mr. D'Souza.—They come by post and also by cargo.

President.—Old newspapers. Are those generally unused newspapers: are there large imports of old newspapers in this port?

Mr. Gracias.—Yes.

President.—They are used for packing?

Mr. Gracias.—For packing and wrapping purposes by shopkeepers, retailers and so on.

President.—In what form do they come in? Are they absolutely unused?

Mr. Gracias.—They are unused. They are pressed mostly into 5 cwt. bales: they come from America and Great Britain.

President.—Does any quantity of used newspapers come in?

Mr. Gracias.—I do not think so.

President.—Is cartridge shown separately in the returns at present?

Mr. Gracias.—It is not shown separately.

President.—Would there be any difficulty in showing cartridge separately?

Mr. D'Souza.—No.

President.—Cartridge is either white or buff.

Mr. Gracias.—Generally white.

President.—It may be buff.

Mr. Gracias.—May be coloured, but I don't think coloured cartridge is much used.

President.—There will be no difficulty in showing cartridge white and coloured as a separate class?

Mr. Gracias.—No.

President.—At what weight do the cartridge usually come in?

Mr. Gracias.—Above 24 lbs. Demy.

President.—Below 24 lbs. is classed as printing paper.

Mr. Gracias.—Yes.

President.—Above 24 lbs. is really considered as a drawing paper.

Mr. Gracias.—Yes.

President.—What is the usual weight at which it comes?

Mr. D'Souza.—35 to 50 lbs. is the usual weight.

Mr. Gracias.—We also get a very expensive quality. It comes very seldom from United Kingdom, is known as Whatman's quality and costs about £200 per ton.

President.—Do you think that the 24 lbs. dividing line is a good one or should it be a different weight?

Mr. Gracias.—I think that is a good one. It is an expensive paper to be used in printing.

President.—Are you talking of Offset Cartridge as distinct from Drawing Cartridge?

Mr. Gracias.—Yes.

President.—Do you think that the 24 lbs. is as good a dividing line between printing kind and the other kind as is possible? Is that your opinion or would some other weight be better?

Mr. Gracias.—24 lbs. would be all right. It is neither too light nor too heavy. It is a good dividing line.

President.—Supposing it is thought advisable to raise the weight, what figure would you suggest as another dividing line to bring more under the protective duty?

Mr. Gracias.—I could not suggest anything.

Mr. D'Souza.—At present most Cartridge paper that has been coming has been over 24 lbs.

President.—Very little is coming in as printing paper.

Mr. D'Souza.—Practically nil.

President.—Offset Cartridge intended for printing is generally above 24 lbs.

Mr. D'Souza.—The Cartridge paper we have had so far has been above 24 lbs.

President.—Is much Offset Cartridge coming in for printing?

Mr. D'Souza.—No.

President.—It is mostly Drawing Cartridge?

Mr. D'Souza.—Yes.

President.—We come to the question of Badami. In that connection there was a complaint made that coloured Badami intended for writing is coming in as printing paper and so escaping the protective duty.

Mr. D'Souza.—We have not noticed any.

President.—If a coloured Badami is hard sized, would you treat it as Writing paper? The complaint is that importers in order to escape the duty have been colouring what is really Badami paper. Has a case of that sort occurred?

Mr. D'Souza.—We have not come across any.

President.—If a paper generally similar to Badami, but slightly coloured, either pink or blue, came in, would it be treated as printing paper or writing paper?

Mr. D'Souza.—We will test it to see whether it is hard sized or soft sized.

President.—If it is hard sized, it would be considered as a Writing paper whatever be the colour.

Mr. D'Souza.—Yes, if it can be recognised as such.

Mr. Rahimtoola.—Do you take the furnish into consideration? We are told that hard sized tinted paper—that is the expression used—is paying only revenue duty and has practically the same furnish as the Badami paper.

President.—This is the recommendation put in by the Deccan Paper Mills (shown).

Mr. D'Souza.—We have not noticed any imports.

Mr. Rahimtoola.—Hard sized paper should have protective duty.

Mr. D'Souza.—Have you got any sample?

Mr. Rahimtoola.—We will send you a sample and a copy of the note. You may send in your reply later.

Mr. D'Souza.—Yes.

President.—The real point is is any hard sized coloured paper similar in furnish coming in. Would you look into that point and let us know?

Mr. D'Souza.—Yes.

President.—If a hard sized paper is getting in morely because it is slightly tinted, it is really evading the protective duty.

Mr. D'Souza.—It might be due to false invoicing.

President.—It is described as Printing paper, but it is really used as Writing paper. What classes of paper pulp are imported in Bombay. You don't have to distinguish them, because all of them bear the same duty. There is first of all bleached and unbleached pulp.

Mr. D'Souza.—You can easily distinguish.

President.—In Calcutta we have been told there are samples of different kinds of pulp available here.

Mr. D'Souza.—Here are 2 samples of bleached and unbleached pulp.

President.—Unbleached is slightly grey and bleached is clean and white.

Mr. D'Souza.—Yes.

President.—There will be no difficulty in distinguishing the two supposing different rates of duty are levied.

Mr. D'Souza.—No.

President.—Could you distinguish the different classes of pulp, mechanical pulp from chemical pulp?

Mr. D'Souza.—Only by test.

President.—Unbleached pulp comes in usually we understand in the form of easy bleaching sulphite pulp and strong sulphite pulp. There is also a special pulp called aspin pulp which comes in occasionally.

Mr. D'Souza.—Yes.

President.—A small quantity of mechanical pulp has apparently been imported here.

Mr. D'Souza.—We don't test as there is one duty.

President.—May we retain these samples?

Mr. D'Souza.—Yes.

President.—Is there any export of rags from Bombay for paper making purposes in other countries, mainly mill cuttings, tailors cutting?

Mr. Gracias.—We do not know. We will have to ascertain.

President.—Could you kindly let us know about that?

Mr. Gracias.—Yes.

President.—Is much Japanese paper coming into Bombay?

Mr. Gracias.—Not much.

President.—What kind of paper is coming from Japan?

Mr. Gracias.—Printing paper containing less than 70 per cent. of mechanical wood pulp. It pays 1 auna 3 pies duty. The import is not very much.

President.—Do you know whether much Japanese magnesium chloride is coming into Bombay?

Mr. Gracias.—We can find that out for you.

President.—Is there much import of printed sheets here which come in free of duty?

Mr. D'Souza.—Hardly any.

President.—They are admitted free of duty.

Mr. D'Souza.—If intended for being bound into books.

President.—It is not imported into Bombay.

Mr. D'Souza.—Hardly any.

President.—Do you happen to have a copy of the Classification Tariff Board's Report.

Mr. D'Souza.—Yes.

President.—On page 21 the Tariff Board gave a draft schedule with the changes in italics. Take the first item 44. Are envelopes made of writing paper at present assessed protective duty?

Mr. Gracias.—Yes.

President.—Would it be an advantage to put it in the Tariff Schedule to make it plain as proposed by the Tariff Board and add the words "envelopes made of writing paper"?

Mr. Gracias.—It would be an advantage.

President.—Though actually envelopes made of writing paper are assessed protective duty.

Mr. Gracias.—Quite.

President.—The next item is Printing paper excluding stereo and all coated papers but including art paper. Would there be any difficulty about making that change?

Mr. Gracias.—What change?

President.—The change in italics. That is the change proposed by the last classification Tariff Board. Let me put it this way. Is there any difficulty in distinguishing coated papers?

Mr. D'Souza.—No.

President.—Art papers are perhaps to be included in the protective tariff schedule.

Mr. D'Souza.—We get chrome coated.

President.—Chrome papers are already in the Tariff Schedule.

Mr. D'Souza.—Yes.

President.—This is only a suggestion of the Tariff Board to make things plainer. Do you think that there would be any advantage in making this change? I think that it would make matters more plain.

Mr. Gracias.—Yes.

President.—You don't think that there would be any difficulty.

Mr. Gracias.—No.

President.—Turning to 44 (3) as given in the report on page 21, the Tariff Board propose a different wording. I think that that is in accordance with the existing Customs practice.

Mr. D'Souza.—Yes. We have got a tariff ruling on that point.

President.—That is in accordance with the recommendation of the classification Tariff Board.

Mr. D'Souza.—Yes.

Mr. Itahimtoola.—The only real change is buff or badami. That has been declared protected.

President.—Except white.

Mr. D'Souza.—Yes.

President.—There is one other general question. Can you suggest any better classification of papers than the one now in force on the presumption that protection would continue for the same classes of paper? That is a matter which the Board has not yet considered. On the assump-

Mr. Chandavarkar.—I don't think so.

Mr. Gracias.—So far, the existing classification has worked well. There have been no disputes. Unless the mills themselves suggest something, we cannot ourselves suggest an alternative.

President.—The mills, I may say, have not been able to suggest anything better.

Mr. D'Souza.—It is only the mills that say that a particular classification is working satisfactorily or not.

President.—The mills have made a suggestion about white cartridge that it should be shown separately in the returns. Would there be any difficulty in doing that?

Mr. Gracias.—No.

Mr. D'Souza.—There is one point about kraft.

Mr. Rahimtoola.—Kraft is not protected. It comes under tariff valuation.

Mr. D'Souza.—Would the bleached kraft come under kraft? The Tariff Schedule does not specify that.

Mr. Rahimtoola.—There is both kraft and imitation kraft.

Mr. D'Souza.—We have recently had a case of importation of bleached kraft. The importer claimed that the duty should be charged on tariff valuation, but we did not allow it.

President.—How did you treat it?

Mr. D'Souza.—We charged him on the invoice value.

President.—You did not treat it as kraft.

Mr. D'Souza.—No, it was not.

Mr. Rahimtoola.—So long as you declare it as kraft, it must come under the tariff valuation. Do you mean that the item should read "kraft and imitation kraft, exclusive of bleached kraft"?

Mr. D'Souza.—Yes.

President.—Is the distinction between bleached and unbleached kraft very clearly understood.

Mr. D'Souza.—The instance cited by us was the first of its kind. We never get bleached kraft.

President.—You can easily distinguish the bleached kraft?

Mr. D'Souza.—Yes.

President.—Ordinary kraft is brown, is it not?

Mr. D'Souza.—Yes. Generally.

Mr. Rahimtoola.—As it is a question of tariff valuation, it is not for the Tariff Board to consider that point. It is for the Director General of Commercial Intelligence. With regard to the Japanese prices that you have given, in one case, you have included "other charges" and in another you have simply added the duty. Would you just let me know how you arrive at 3 annas 5 pies per lb.?

Mr. D'Souza.—That is the actual invoice price.

Mr. Rahimtoola.—The first one is 3 annas per pound (1 anna 7 pies + 1 anna 3 pies duty + 2 pies extra charge).

Mr. D'Souza.—The landing charge is about 1½ pies. We shall verify.

Mr. Rahimtoola.—The landing charge is about Rs. 6 a ton.

Mr. D'Souza.—It would be between 1 pie and 2 pies per lb.

Mr. Chandavarkar.—We shall let you have correct figures later on.

President.—There is one other point raised by the mills, that is about casing paper. We understand that casing paper is wrapping paper glazed on both sides. First of all, is there any class of paper known as casing paper?

Mr. D'Souza.—It is imported by mills for wrapping.

President.—Is it a distinct class by itself? Can you distinguish it from an ordinary wrapping paper?

Mr. D'Souza.—Yes.

President.—Under what class does it come?

Mr. D'Souza.—It comes as wrapping paper.

President.—Is it used for writing?

Mr. D'Souza.—It cannot be used for writing because the ink will spread. That is what "The Times of India" told us. You could use it for writing the address but it is not generally used for ordinary writing. We also had it tested and found that it was not hard sized.

Mr. Rahimtoola.—How do you distinguish cardboard paper from other paper?

Mr. Gracias.—We have raised that point.

Mr. D'Souza.—When paper ceases to be paper and becomes cardboard, it is difficult to say. I have asked some importers and they also say that it is difficult to be precise in that respect.

President.—Are there any points which you would like to raise with the Tariff Board?

Mr. Chandavarkar.—No.



13. Railways.

- (1) *Circular letter No. 23, dated the 6th January, 1938, from the Tariff Board, to the Agents of all Principal Railways in India.*

In connection with the enquiry referred to the Tariff Board under the Government of India, Department of Commerce, Resolution No. 202-T. (1)/36, dated the 11th December, 1937, as to the desirability of continuing measures for the protection of the Bamboo Paper and Paper-Pulp Industries after 31st March, 1939, when the present protective duties expire, I am directed to say that the Board would be grateful if you could forward a statement showing the freight rates at present applicable to paper and paper-pulp on your Railway under the following heads:—

- (i) ordinary rates;
- (ii) schedule rates;
- (iii) principal station-to-station rates;
- (iv) wagon load or other concession rates;

and any changes that have been made in these rates since 1931-32. So far as items (ii), (iii) and (iv) above are concerned, the Board would like to know to what extent, if any, in actual practice they favour Indian-made paper as compared with imported paper.

2. I am also to add that for the purpose of this enquiry the Board has asked the Controller of Printing and Stationery for full particulars of all his purchases of paper for each year since 1931-32. In case, however, you do not obtain your supplies through the Controller, I am to say that the Board would like to be furnished with full particulars of your purchases from 1931-32 of—

- (1) writing paper;
- (2) printing paper;
- (3) packing and wrapping paper;
- (4) miscellaneous paper such as blotting paper

showing (i) class of paper, (ii) quantity purchased and (iii) average price paid for both (a) Indian and (b) imported classes.

3. The Board would be grateful for a reply (with 4 spare copies) as early as possible and, if possible, before the 31st January, 1938, addressed to the Secretary, Tariff Board, 1, Council House Street, Calcutta.

- (2) *Letter No. R. 33/29/56, dated the 18th January, 1938, from the General Traffic Manager, Bombay, Baroda and Central India Railway Company, Bombay.*

I beg to give below the present classification of Paper and Paper-pulp:—

	Class.	Per maund per mile.
		Pie.
Paper in bales and bundles	2	0.42
Paper in cases	4	0.62
Blotting paper in bales or bundles	2	0.42
Paper-pulp	1	0.38

The same classification was in force in 1931-32.

No schedule rates are quoted for these articles on this Railway.

A list of the principal station-to-station rates is attached.

I am sending a copy of your letter to our Controller of Stores from whom you will hear in regard to paragraph 2 thereof.

List of Station-to-Station Rates.

Commodity.	From	To	Station-to-Station rate.	Ordinary rate.
			Per maund.	Per maund.
			Rs. a. p.	Rs. a. p.
Paper pulp, W/300, O. R. L.	Bombay . .	Barejadi . .	0 6 1	0 10 11
		{ New Delhi . .	1 9 9	1 12 5
Paper in bales or bundles, W/300, O. R. L.	Bombay . .	{ Via New Delhi . .	1 9 0	1 11 8
		{ Via Kotkapura . .	1 9 5	1 11 11
Paper in bales or bundles, O. R.	{ Bombay . .	Ahmedabad . .	0 8 9	0 12 3
	{ Barejadi . .	Bombay . .	0 8 9	0 11 11
		{ Belanganj . .	0 15 7	1 4 7
		Cawnpore . .	0 15 3	1 9 5
Paper in bales or bundles, O. R.	Barejadi . .	{ Via Cawnpore . .	0 15 3	1 8 6
		Delhi . .	1 0 7	1 4 7
		{ Via Delhi . .	1 0 7	1 3 10
		{ Belanganj . .	0 13 5	1 4 7
		Cawnpore . .	0 13 0	1 9 5
Paper in bales or bundles, W/300, O. R. L.	{ Barejadi . .	{ Via Cawnpore . .	0 13 0	1 8 6
		Delhi . .	0 14 6	1 4 7
		{ Via Kotkapura . .	1 2 8	1 8 10
	{ Via Delhi . .	Ahmedabad . .	0 14 6	1 3 6

(3) Letter No. R. 125/38, dated the 24th January, 1938, from the Traffic Manager, Mysore Railways, Mysore.

Re: RATES AND STATISTICS—re: PAPER INDUSTRY.

With reference to paragraph 1 of your letter No. 23, dated the 6th January, 1938, to the address of the Agent of this Railway, I beg to state that paper and paper-pulp are charged over this Railway at classified rates, as shown below, and no schedule, station-to-station, wagon load or other concession rates are notified for them:—

	R. R.
Paper N. O. C. in cases	4
Paper in rolls protected at the ends of sides	2
Paper blotting in bales or bundles	2
Paper-pulp	1

In view of a Paper Mill being installed at Bhadravati, however, schedule C.C./C.M. rates are made available over this Railway both in local and

through booking for gunny waste, jute waste, paper waste and rags N. O. C. used in preparing paper-pulp at O. R. W./160 L. P. The following station-to-station special rates have also been notified for these commodities when consigned to the Paper Mill at Bhadravati.

Commodity.	Stations.		Rate per maund O. R. W./300 L.
	From	To	
Gunny waste, jute waste, paper waste and rags N. O. C. in separate or mixed consignments.	Madras (<i>via</i> Bangalore City).	Bhadravati .	Rs. A. P. 0 9 4
	Shalimar (and <i>via</i> Waltair, Madras and Bangalore City).	Do. .	1 0 5

(4) Letter No. R. 8, dated the 26th January, 1938, from the Traffic Manager, Assam Bengal Railway, Chittagong.

As requested, I beg to enclose herewith a statement, together with four spare copies of the same, showing the freight rates at present applicable to paper and paper-pulp over the Assam-Bengal Railway. The particulars relating to the purchases of paper of the Assam Bengal Railway will be furnished by our Chief Auditor shortly under a separate cover.

Enclosure.

Statement of the basis of charge for the carriage of paper and paper-pulp over the Assam-Bengal Railway.

Article.	Basis of charge.	Whether any change in basis made during the last 8 years.	Remarks.
Paper	<p>(a) <i>In bundles—</i></p> <p>(i) <i>Class rate at Railway Risk—</i> 42 pie per maund per mile <i>plus</i> a terminal charge of 6 pies per maund in through booking and a terminal charge of one anna per maund in local booking.</p> <p>(ii) <i>Schedule rate—</i> <i>Nil.</i></p> <p>(iii) <i>Special rates at Owner's Risk—</i></p> <p>For traffic from Calcutta to stations other than Assam Valley Stations, the Assam-Bengal Railway basis varies from 21 pie per maund per mile to 40 pie per maund per mile on gross rate.</p>	<p>..</p> <p>Introduced from 15th November, 1933, and still in force.</p>	

Statement of the basis of charge for the carriage of paper and paper-pulp over the Assam-Bengal Railway—contd.

Article.	Basis of charge.	Whether any change in basis made during the last 8 years.	Remarks.
Paper— <i>contd.</i>	(b) <i>In cases—</i>		
	(i) <i>Class rate at Railway Risk—</i>		
	62 pie per maund per mile <i>plus</i> a terminal charge of 6 pies per maund in through booking and a terminal charge of one anna per maund in local booking.	..	
	(ii) <i>Schedule rate—</i> <i>Nil.</i>		
	(iii) <i>Special rate—</i> <i>Nil.</i>		
Paper-pulp .	(i) <i>Class rate at Railway Risk—</i>		
	38 pie per maund per mile <i>plus</i> a terminal charge of 6 pies per maund in through booking and a terminal charge of one anna per maund in local booking.	..	
	(ii) <i>Schedule rate—</i> <i>Nil.</i>		
	(iii) <i>Special rate—</i> <i>Nil.</i>		
Bamboo-pulp (for paper making) as bamboos.	(i) <i>Class rate—</i>		
	(a) 58 pie per maund per mile <i>plus</i> a terminal charge of 6 pies per maund in through booking and a terminal charge of one anna per maund in local booking at Railway Risk.	..	
	(b) 42 pie per maund per mile <i>plus</i> a terminal charge of 6 pies per maund in through booking and a terminal charge of one anna per maund in local booking when booked at Railway Risk in wagon loads of 160 maunds per 4-wheeled wagon.		
	(c) 38 pie per maund per mile <i>plus</i> a terminal charge of 6 pies per maund in through booking and a terminal charge of one anna per maund in local booking when booked at owner's risk in wagon loads of 160 maunds per 4-wheeled wagon.	..	

Statement of the basis of charge for the carriage of paper and paper-pulp over the Assam-Bengal Railway—contd.

Article.	Basis of charge.	Whether any change in basis made during the last 8 years.	Remarks.
Bamboo-pulp (for paper making) as bamboos— contd.	<p>(ii) <i>Schedule rate—</i></p> <p>(a) <i>In local booking at Owner's Risk—</i></p> <p>Per maund.</p> <p>Per mile.</p> <p>Pie.</p> <p>For the first 14 and up to 150 miles.</p> <p>For extra distance above 150 miles to be added to the charge for 150 miles.</p> <p>(b) <i>In through booking—</i></p> <p>25 pie per maund per mile plus a terminal charge of 6 pies per maund in through booking when the traffic is booked in wagon loads of 160 maunds per 4-wheeled wagon and W/300 for bogie wagon.</p> <p>(iii) <i>Special rate—</i></p> <p>The Assam-Bengal Railway basis of the station-to-station special through rates for traffic to Tittaghur Paper Mills Nos. I and II and Naihati Paper Mills varies from 13 to 20 pie per maund per mile on gross rate when booked in wagon loads of 100 maunds per 4-wheeled wagon at Owner's Risk.</p>	<p>Introduced from 2nd September, 1932.</p> <p>..</p> <p>..</p> <p>..</p>	<p>*When the traffic is booked from Fulgazi and Belonia in wagon loads of 320 maunds per bogie, terminal charge is not levied.</p>

(5) Letter No. T. 2406, dated the 26th January, 1938, from the Agent, the Madras and Southern Mahratta Railway Co., Ltd., Madras.

Adverting to your letter No. 23, dated the 6th January, 1938, I have the honour to forward herewith a statement showing the classification of the various varieties of paper together with a statement detailing the special rates in force to and *via* the stations on the Madras and Southern Mahratta Railway for this commodity. In addition the following special rates have been quoted by this Railway for wood-pulp for use by the Paper Mills at Rajahmundry.

From	To Rajahmundry per maund, O. R. W./300 L. As.
Cocanada Port or Town	2
Madras	6

2. No Schedule Rates are quoted by this Railway for paper and the classification has remained unaltered since 1932.

3. An examination of the list of special rates sent herewith will show that these rates have been quoted to assist development of traffic in paper manufactured by the Mills situated principally in Bengal. No reduced rates have been quoted for paper imported from the ports.

4. The particulars required in paragraph 2 of your letter under reply will be forwarded to you as early as possible.

STATEMENT.

Commodity.	Classification. R. R.
Paper N. O. C. in bales or bundles	2
Paper N. O. C. in cases	4
Blotting paper in bales or bundles	2
Paper in rolls protected at the ends and sides	2
Paper-pulp	1

Special Station-to-Station Rates in Through Booking.

Description of Goods.	Stations.		Rates.	Remarks and conditions.
	From	To		
146 Paper N. O. C. in bales or bundles.	Via Asansol for traffic from— Raniganj. Raniganj B. P. M. Siding.	Calicut	Rs. A. P. Per maund. 11 1	<div> <div> B. N. N. E. 0 9 1 0 7 5 M. S. M. S. I. 0 3 5 0 7 2 </div> </div>
		(via Waltair, Madras and Jalarpet).		
		Cannanore	1 11 1	
		(via Waltair, Madras and Jalarpet).		

O.R. Applicable to paper manufactured in India only.

Special Station-to-Station Rates in Through Booking—contd.

Description of Goods.	Stations.		Rates.	Remarks and conditions.
	From	To		
146. Paper N. O. C. in bales or bundles— <i>contd.</i>	Vid Asansol for traffic from— Raniganj. Raniganj B. P. M. Siding.	Ernakulam (<i>vid</i> Waltair, Madras and Jalarpet).	Rs. A. P. Per maund. 1 8 3	{ Apply to paper manufactured in India. B. N. N. E. 0 7 7 0 6 1 M. S. M. S. I. 0 3 4 0 7 3 }
		Madras (<i>vid</i> Waltair). Vid Madras (<i>vid</i> Waltair).	{ 1 5 11 }	{ Apply to paper manufactured in India. B. N. M. S. M. 0 12 1 0 9 10 }
			{ 0 13 8 }	{ Apply to paper manufactured in India. B. N. M. S. M. 0 7 7 0 6 1 }
		Mangalore (<i>vid</i> Waltair, Madras and Jalarpet).	1 11 1	{ B. N. N. E. 0 9 1 0 7 5 M. S. M. S. I. 0 2 7 0 8 0 }
		Tellicherry (<i>vid</i> Waltair, Madras and Jalarpet).	1 11 1	{ B. N. N. E. 0 9 1 0 7 5 M. S. M. S. I. 0 3 1 0 7 6 }
				{ B. N. N. E. 0 8 3 0 7 5 M. S. M. S. I. 0 3 5 0 7 2 }
	Vid East Dock Jn. for traffic from— Kanki-nara. Naihati. Tittagarh.	Calicut (<i>vid</i> Shalimar, Waltair, Madras and Jalarpet).	1 10 3	{ B. N. N. E. 0 8 3 0 7 5 M. S. M. S. I. 0 3 0 0 7 7 }
		Cannanore (<i>vid</i> Shalimar, Waltair, Madras and Jalarpet).	1 10 3	
				O.R. : W./300; L.
				O.R.
				O.R. : W./300.
				O.R. Apply to paper manufactured in India only.

Special Station-to-Station Rates in Through Booking—contd.

Description of Goods.	Stations.		Rates.	Remarks and conditions.
	From	To		
146. Paper N. O. C. in bales or bundles— <i>contd.</i>	Via East Dock Jn. for traffic from—Kankinara. Naihati. Tittaghur.	Ernakulam (via Shalimar, Waltair, Madras and Jalarpet).	Rs. A. P. per maund. 1 7 6	<div> <div> <div>B. N.</div> <div>0 6 10</div> </div> <div> <div>N. E.</div> <div>0 6 1</div> </div> </div> <div> <div>M. S. M.</div> <div>0 3 4</div> </div> <div> <div>S. I.</div> <div>0 7 3</div> </div> <div> <div>O.R.;</div> <div>W/300; L.</div> </div>
		Madras (via Shalimar and Waltair).	1 4 10	<div> <div>B. N.</div> <div>0 11 0</div> </div> <div> <div>M. S. M.</div> <div>0 9 10</div> </div> <div> <div>O.R.</div> </div>
		Via Madras (via Shalimar and Waltair).		
		Madras (via Shalimar and Waltair).	0 12 11	<div> <div>B. N.</div> <div>0 6 10</div> </div> <div> <div>M. S. M.</div> <div>0 6 1</div> </div> <div> <div>O.R.;</div> <div>W/300; L.</div> </div>
		Via Madras (via Shalimar and Waltair).		
		Mangalore (via Shalimar, Waltair, Madras and Jalarpet).	1 10 3	<div> <div>B. N.</div> <div>0 8 3</div> </div> <div> <div>N. E.</div> <div>0 7 5</div> </div> <div> <div>M. S. M.</div> <div>0 2 7</div> </div> <div> <div>S. I.</div> <div>0 8 0</div> </div> <div> <div>O.R.</div> </div>
		Tellicherry (via Shalimar, Waltair, Madras and Jalarpet).	1 10 3	<div> <div>B. N.</div> <div>0 8 3</div> </div> <div> <div>N. E.</div> <div>0 7 5</div> </div> <div> <div>M. S. M.</div> <div>0 3 1</div> </div> <div> <div>S. I.</div> <div>0 7 6</div> </div> <div> <div>O.R.</div> </div>
		Quilon (via Shalimar, Waltair, Madras and Arko-nam).	1 11 11	<div> <div>B. N.</div> <div>0 8 3</div> </div> <div> <div>M. S. M.</div> <div>0 8 11</div> </div> <div> <div>S. I.</div> <div>0 10 9</div> </div> <div> <div>O.R.;</div> <div>W/300; L.</div> </div>

Apply to paper manufactured in India only.

Special Station-to-Station Rates in Through Booking—concld.

Description of Goods.	Stations.		Rates.	Remarks and conditions.		
	From	To				
146. Paper N. O. C. in bales or bundles—concl'd.	Hadapsar	Madras (via Raichur).	Rs. A. P. per maund. 1 0 9	G. I. P.	M. S. M.	} O.R. W./ 300.
		Bangalore Cantt. or City (via Jalarpet).	0 10 10	0 9 5	0 7 4	
	Punalur			O.R.		

(6) Letter No. R. 1/d. 391, dated the 28th January, 1938, from the Chief Commercial Superintendent, South Indian Railway, Trichinopoly.

I send herewith a statement showing the ordinary (class) rates that are in force since 1931 for Paper and Paper-pulp over this Railway.

2. No schedule rate is quoted for these commodities over this Railway.

3. It has not been the policy of this Railway to make any discrimination between Indian made paper and imported paper.

4. Punalur is a paper manufacturing centre on this Railway to which paper waste is generally booked. The rates for this commodity have also been shown separately in the statement. Schedule C/N rate for this traffic to Punalur is quoted in order to encourage the indigenous industry.

Statement showing the changes made in the rates for Paper N. O. C. and paper pulp from 1931 to 1938.

CLASSIFICATION.

Commodity.	Class and conditions.			Remarks.
	R. R.	O. R.	Schedule.	
Paper N. O. C. in cases,	4	} In 1931. No changes since then.
Paper N. O. C. in bales or bundles.	2	..	..
Paper-pulp . . .	1	..	..
Paper waste	1	} 1931 to 31st October, 1935. From 1st November, 1935, the schedule rate was made applicable for traffic to Punalur only. From 15th October, 1936, the condition 'p' was withdrawn.
	..	..	C/N { W./300 B. G. W./200 M. G. } O.R.; L.; p.

Statement showing the changes made in the rates for Paper N. O. C. and Paper-pulp from 1931 to 1933.

LOCAL.

Commodity.	Stations.		Rate per maund.	Conditions.	Remarks.
	From	To			
Paper N.O.C. in bales or bundles O.R. : L.	Punalur	Coimbatore	Rs. a. p. 0 8 3	..	In force from 15th June 1931 to date.
		Madras Beach.	0 9 10	..	In force from 15th June 1931 to date.
		Ernakulam .	0 6 11	..	In force from 1st June 1933 to date.
		Trichur .	0 8 0	..	In force from 1st June 1933 to date.
	Tuticorin	Koilpatti .	0 1 8	..	In force from 1st February 1934 to date.
		Nalattin-puttur.	0 1 8	..	In force from 1st February 1934 to date.
		Pettai .	0 1 8	..	In force from 1st February 1934 to date.
		Rajapalaiyam	0 2 11	..	In force from 1st February 1934 to date.
		Satur .	0 2 2	..	In force from 1st February 1934 to date.
		Sivakasi .	0 2 5	..	In force from 1st February 1934 to date.
		Srivilliputtur	0 2 8	..	In force from 1st February 1934 to date.
		Tinnevely Jn.	0 1 8	..	In force from 1st February 1934 to date.
Paper waste	Madras Beach.	Punalur .	0 7 3	W/200; OR; L; p OR; L; p OR; L	From 10th February 1933 to 1st February 1935. From 15th March 1935 to 14th October 1936. From 15th October 1936 to date.

Statement showing the changes made in the rates for paper N. O. C. and paper-quip from 1931 to 1938.

FOREIGN.

Commodity.	Stations.		Route.	Rate per maund.	Proportions.				Remarks.
	From	To			As. p.	As. p.	As. p.	As. p.	
Paper N. O. C. in bales or bundles.	Punalur	Bangalore City	Jalarpet	0 10 10	..	..	..	..	In force from 5th October 1930 to date.
Paper N. O. C. in bales or bundles, O. R.; L.; W./300 with clubbing condition for paper manufactured in India.	Via East Dock Jn. for traffic from Tittaghar, Kankinara and Nalhathi.	Quilon	Waltair, Madras and Arkonam.	1 11 11	B. N. 8 3	M. S. M. 8 11	S. I. 10 9	..	In force from 1st January 1931 to date.
Paper N. O. C. in bales or bundles, O. R.; L.	Punalur	Via Arkonam for traffic to Vizianagram.	Waltair	0 9 10	..	..	..	..	In force from 20th October 1934 to 14th October 1936.
Paper N. O. C. in bales or bundles, O. R.; L.	Punalur	Via Belharshah for traffic to Nagpur and Itwari.	Arkonam, Madras and Bezwada.	1 9 4	S. I. 10 11	M. S. M. 7 7	N. S. 6 10	..	In force from 10th July 1931 to 14th October 1936.
Paper N. O. C. in bales or bundles O. R.; L.; W./300 with clubbing condition for paper manufactured in India.	Via East Dock Jn. for traffic from Tittaghar, Kankinara and Nalhathi.	Calicut	Shalimar, Waltair, Madras and Jalarpet.	1 10 3	R. N. 8 3	M. S. M. 10 10	S. I. 7 2	..	In force from 1st January 1931 to 9th May 1933.
		Cannanore		1 10 3	8 3	10 5	7 7	..	
		Ernakulam		1 10 3	8 3	10 9	7 3	..	
		Tellicherry		1 10 3	8 3	10 6	7 6	..	

[illegible]

(7) Letter No. A. 710, dated the 28th January, 1938, from the Agent, Assam-Bengal Railway Co., Ltd., Chittagong.

As requested, I beg to enclose herewith a statement, together with four spare copies of the same showing particulars relating to the purchases of paper of this Railway for your disposal.

Enclosure.

Class of Paper.	1931-32.		1932-33.		1933-34.	
	Quantity pur-chased.	Cost.	Quantity pur-chased.	Cost.	Quantity pur-chased.	Cost.
	Reams.	Rs.	Reams.	Rs.	Reams.	Rs.
1. Printing paper (a. Indian	3,023	16,170	3,395	18,007	5,244	21,771
b. Imported	24	83	12	190	1	50
2. Packing and (a. Indian	60	682	70	796	89	682
wrapping paper (b. Imported	Nil	..	4	48	Nil	..
3. Miscellaneous (a. Indian	172	723	25	281	80	396
paper. (b. Imported	101	285	110	355	145	308
4. Writing paper (a. Indian	Nil	..	Nil	..	Nil	..
b. Imported	Nil	..	7	57	4	18
TOTAL (a. Indian	3,255	17,575	3,490	19,084	5,413	22,849
b. Imported	125	368	133	650	150	376

Class of Paper.	1934-35.		1935-36.		1936-37.	
	Quantity pur-chased.	Cost.	Quantity pur-chased.	Cost.	Quantity pur-chased.	Cost.
	Reams.	Rs.	Reams.	Rs.	Reams.	Rs.
1. Printing paper (a. Indian	6,214	22,193	7,130	23,960	6,864	23,567
b. Imported	56	1,508	34	394	8	101
2. Packing and (a. Indian	104	731	97	696	145	1,032
wrapping paper (b. Imported	13	114	Nil	..	5	51
3. Miscellaneous (a. Indian	110	482	80	391	100	511
paper. (b. Imported	180	225	153	242	204	286
4. Writing paper (a. Indian	Nil	..	Nil	..	Nil	..
b. Imported	3	19	1	6	2	25
TOTAL (a. Indian	6,428	23,406	7,307	25,047	7,109	25,110
b. Imported	252	1,866	188	642	219	463

(8) Letter No. P. O. C. 48-4, dated the 28th January, 1938, from the District Controller of Stores General, Great Indian Peninsula Railway, Byculia, Bombay.

With reference to paragraph 2 of letter No. R. C. 1361 of 12th January, 1938, from the Chief Traffic Manager, Great Indian Peninsula Railway, Bombay, to your address, I am directed by the Controller of Stores, Great Indian Peninsula Railway, Gipstore Lane, Lower Parel, to provide you with the information relating to paper bought from sources other than the Deputy Controller of Stationery, Calcutta, since 1931-32 to date.

2. Five copies of statements showing the information are herewith enclosed.

Enclosure.

Statement of Paper bought by the G. I. P. Ry. Stores Department from sources other than Deputy Controller, Stationery, Calcutta.

Year.	Description.	Quantity.	Rate.	Per	Whether Indian or Imported.	Name of Supplier.
	WRITING PAPER.		Rs. A. P.			
1932-33	Nil	..	..	..	..	....
1933-34	Nil	..	..	..	..	....
1934-35	Nil	..	..	..	..	....
1935-36	Nil	..	..	..	..	....
1936-37	Paper cream laid double foolscap, size 17" x 27" 20 lbs.	20 Reams .	3 15 0	Ream	Indian	Messrs. Mahomedally Hebatbhoy & Co., Bombay.
1937-38	Nil	..	..	..	..	....
	PRINTING PAPER.					
1932-33	Paper Art double demy, 22½" x 35" 50 lbs.	10 Reams .	17 0 0	Ream	Imported	Messrs. J. B. Advani & Co., Bombay.
	Ditto ditto 50 "	5 "	17 3 0	"	"	" Gulamhusein Ahmedally & Co., Bombay.
	Ditto ditto 52 "	13½ "	0 5 0	Lb.	"	" J. B. Advani & Co., Bombay.
	Paper Art, 18" x 23" 26 "	3 "	0 5 0	"	"	Ditto.
	Paper Art double demy, 22½" x 35" 32 "	15 "	16 0 0	Ream	"	Ditto.

Statement of Paper bought by the G. I. P. Rly. Stores Department from sources other than Deputy Controller, Stationery, Calcutta—contd.

Year.	Description.	Quantity.	Rate.	Per	Whether Indian or Imported.	Name of Supplier.
	PRINTING PAPER—contd.		Rs. a. p.			
1933-34	Paper Art double demy, 22½" × 35" 50 lbs.	10 Reams.	16 6 6	Reams	Imported	Meers. Gulamhusein Ahmedally & Co., Bombay.
	Ditto 52 "	10 "	15 7 0	"	"	" J. B. Advani & Co., Bombay.
	Ditto 50 "	10 "	14 14 0	"	"	Ditto.
	Ditto 52 "	10 "	16 8 0	"	"	Ditto.
	Paper News double royal, 27" × 40" 37 "	4 "	3 4 6	"	"	Ditto.
1934-35	Paper Art double demy, 22½" × 35" 52 "	10 "	16 8 0	"	"	Ditto.
	Paper News, 27" × 40" 37 "	5 "	3 4 6	"	"	Ditto.
	Ditto 37 "	5 "	3 5 0	"	"	Meers. Mahomedally Hebahbhoi & Co., Bombay.
	Paper printing, green, 27" × 40" . 36 "	20 "	4 8 0	"	"	Gulamhusein Ahmedally & Co., Bombay.
	Paper Art, 22½" × 35" 50 "	10 "	16 8 0	"	"	" J. B. Advani & Co., Bombay.
	Ditto 52 "	10 "	14 0 0	"	"	Ditto.
	Paper News, 27" × 40" 37 "	5 "	3 5 6	"	"	Ditto.
1935-36	Paper Art, 22½" × 35" 52 "	6 "	13 0 0	"	"	Ditto.
	Ditto 52 "	3 "	13 0 0	"	"	Ditto

Statement of Paper bought by the G. I. P. Ry. Stores Department from sources other than Deputy Controller, Stationery, Calcutta—*conold.*

Year.	Description.	Quantity.	Rate.	Per	Whether Indian or Imported.	Name of Supplier.
	MISCELLANEOUS PAPER.		Rs. a. p.			
1932-33	Cover paper, 20½" × 30¼" . 60 lbs.	1 Ream .	0 7 9	Lb.	Imported .	Messrs. John Dickinson & Co., Bombay.
1933-34	Ditto ditto . 60 "	2 Reams .	0 7 7½	"	"	Ditto.
1934-35	Ditto ditto . 60 "	2 " .	0 7 7	"	"	Ditto.
	Cover paper, blue, 20½" × 30¼" . 60 "	1 Ream .	16 4 0	Ream	"	Messrs. J. B. Advani & Co., Bombay.
1935-36	Cover paper, 20½" × 30¼", 60 lbs. Cordelia .	1 " .	17 15 0	"	"	" Mahomedally Hebatbhooy & Co., Bombay.
	Cover paper, 18" × 25", 39 lbs. Reliance .	1 " .	9 5 1	Lb.	"	" John Dickinson & Co., Bombay.
1936-37	Cover paper, 20½" × 30¼", 60 lbs. Cordelia .	1 " .	0 7 6	"	"	Ditto.
	Ditto ditto ditto .	1 " .	37 0 0	Ream	"	Messrs. J. V. Navlatbhi & Co., Bombay.
1937-38	Nil . . . . .	..	..	..	"	"

(9) Letter No. H. 24/38, dated the 29th January, 1938, from the Controller, of Stores, Bombay, Baroda and Central India Railway, Bombay.

In reference to your above letter addressed to the General Traffic Manager of this Railway, I beg to enclose a statement showing purchases of various kinds of paper made during 1931-32 to 1937-38 for the use of this Railway administration.

Enclosure.

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES DEPARTMENT.

Statement showing particulars of various kinds of papers purchased during the period from 1931-32 to 1937-38.

Item No.	Description.	1931-32.			1932-33.		
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	Quantity under Contract.	Imported or Indigenous.	Rate per Ream.
		Reams		Rs. a. p.	Reams		Rs. a. p.
WRITING PAPERS.							
1	Paper, white laid, ordinary, 17"×13½" deep broad ruled with 32 blue lines ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	220	Indigenous	2 15 6	200	Indigenous	3 2 10
2	Paper, white laid, ordinary, 17"×13½" deep narrow ruled with 49 blue lines ¼" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	70	Do.	2 15 6	50	Do.	3 2 10
3	Paper, white laid, ordinary, 17"×13½" cross ruled with 40 blue lines ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	70	Do.	2 15 6	..	..	..
PRINTING PAPERS.							
4	Paper, ordinary badami, Demy size, weighing 20 lbs. nett to a ream.	..	..	..	..	..	..
5	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 16 lbs. nett to a ream of 500 sheets.	38	Not known	2 10 9	..	..	..

**BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—contd.**

*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—contd.*

Item No.	Description.	1931-32.			1932-33.		
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	Quantity under Contract.	Imported or Indigenous.	Rate per Ream.
	PRINTING PAPERS— contd.	Reams		Rs. a. p.	Reams		Rs. a. p.
6	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 500 sheets.	1,350	Not known	3 5 6	1,200	Not known	3 0 4
7	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 500 sheets.	300	Do.	4 0 0	250	Do.	3 10 0
8	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 28 lbs. nett to a ream of 500 sheets.	..	..	..	..	..	..
9	Paper, ordinary badami, Super royal size, 22"×29", weighing 28 lbs. nett to a ream of 500 sheets.	70	Not known	4 12 0	40	Not known	4 5 0
10	Paper, Serampore, 40"×27", weighing 38 lbs. nett to a ream of 500 sheets.	..	..	..	20	Do.	5 0 0
11	Paper, superior badami, D. F. C. size, weighing 16 lbs. nett to a ream of 500 sheets.	30	Indigenous	3 6 0	..	..	..
12	Paper, superior badami, D. F. C. size, weighing 20 lbs. nett to a ream of 500 sheets.	25	Do.	4 3 6	..	..	..
13	Paper, superior badami, D. F. C. size, weighing 24 lbs. nett to a ream of 500 sheets.	675	Not known	5 0 0	400	Not known	5 0 0
14	Paper, superior badami, D. F. C. size, weighing 28 lbs. nett to a ream of 500 sheets.	57	Do.	5 11 0	40	Do.	5 15 0

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—*contd.*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—*contd.*

Item No.	Description.	1931-32.			1932-33.		
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	Quantity under Contract.	Imported or Indigenous.	Rate per Ream.
	PRINTING PAPER— <i>contd.</i>	Reams		Rs. a. p.	Reams		Rs. a. p.
15	Paper, white laid, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 480 sheets.	113	Indigenous	4 5 3	130	Indigenous	4 5 2
16	Paper, white laid, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 480 sheets.	..	..	..	..	..	..
17	Paper, white wove, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 500 sheets.	75	Indigenous	4 5 3	75	Indigenous	4 5 2
18	Paper, white laid, D. F. C. size, 27"×17", weighing 28 lbs. nett to a ream of 480 sheets.	60	Do.	6 0 9	100	Do.	6 0 10
19	Paper, white wove, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 500 sheets.	12	Do.	5 3 0	16	Do.	5 3 0
20	Paper, white wove (Double Royal), 40"×27" size, weighing 42 lbs. nett to a ream of 500 sheets.	5	Do.	9 1 3	10	Do.	9 1 3
21	Paper, white laid, foolscap size, 17"×13½", weighing 14 lbs. nett to a ream of 500 sheets.	..	..	..	10	Do.	3 0 5
	PACKING AND WRAPPING PAPER.						
22	Paper, craft, 29"×22", weighing 20 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	100	Not known	2 14 0	190	Not known	2 11 3

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—*contd.*

Statement showing particulars of various kinds of papers purchased during the period from 1931-32 to 1937-38—contd.

Item No.	Description.	1931-32.			1932-33.		
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	Quantity under Contract.	Imported or Indigenous.	Rate per Ream.
			Reams	Rs. a. p.		Reams	Rs. a. p.
	PACKING AND WRAPPING PAPER— <i>contd.</i>						
23	Paper, craft, D. F. C. size, 27"×17", weighing 44 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	42	Not known	7 4 0	50	Not known	5 13 6
24	Paper for packing, brown, 20"×22", weighing 48 lbs. nett to a ream of 480 sheets.	..	..	..	40	Do.	5 6 0
25	Paper, craft, 29"×22", weighing 48 lbs. nett to a ream of 480 sheets.	..	..	..	..	..	..
	MISCELLANEOUS PAPER.						
26	Paper, blotting, of pink and white colours, very absorbent quality, 22½"×17½", weighing 38 lbs. nett to a ream of 480 sheets, 12 sheets in a pack (supply to be half pink and half white).	150	Not known	12 12 0	150	Indigenous	10 1 6
27	Paper, thin, for manifold copies, brief size (17"×13"), weighing 4½ lbs. to a ream of 480 sheets.	..	..	..	25	Not known	1 9 9
28	Paper, thin, for manifold copies, foolscap single size (13½"×8½"), weighing 2½ lbs. to a ream of 480 sheets.	175	Not known	0 15 0	300	Do.	0 12 6

**BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—contd.**

*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—contd.*

Item No.	Description.	1933-34.			1934-35.		
		Quantity under Contract.	Imported or Indigenus.	Rate per Ream.	Quantity under Contract.	Imported or Indigenus.	Rate per Ream.
	WRITING PAPERS.	Reams		Rs. a. p.	Reams		Rs. a. p.
1	Paper, white laid, ordinary, 17"×13½" deep broad ruled with 32 blue lines ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	225	Indi- genous	2 14 4	275	Indi- genous	2 14 4
2	Paper, white laid, ordinary, 17"×13½" deep narrow ruled with 49 blue lines, ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	70	Do.	2 14 4	100	Do.	2 14 4
3	Paper, white laid, ordinary, 17"×13½" cross ruled with 40 blue lines, ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	40	Do.	2 14 4	65	Do.	2 14 4
	PRINTING PAPERS.						
4	Paper, ordinary badami, Demy size, weighing 20 lbs. nett to a ream.	..	..	--	50	Not known	2 8 0
5	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 16 lbs. nett to a ream of 500 sheets.	45	Indi- genous	2 0 0	15	Indi- genous	2 2 8
6	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 500 sheets.	1,500	Do.	2 8 0	1,800	Do.	2 11 4
7	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 500 sheets.	250	Do.	3 0 0	315	Do.	3 4 0
8	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 28 lbs. nett to a ream of 500 sheets.	..	..	..	5	Do.	3 12 8
9	Paper, ordinary bada07, Super royal size, 22"×29", weighing 28 lbs. nett to a ream of 500 sheets.	50	Indi- genous	3 8 0	25	Do.	3 12 8

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—*contd.*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—*contd.*

Item No.	Description.	1933-34.			1934-35.		
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	Quantity under Contract.	Imported or Indigenous.	Rate per Ream.
	PRINTING PAPERS— <i>contd.</i>	Reams		Rs. a. p.	Reams		Rs. a. p.
10	Paper, Serampore, 40"×27", weighing 38 lbs. nett to a ream of 500 sheets.	10	Im-ported	3 9 0	20	Not known	3 14 0
11	Paper, superior badami, D. F. C. size, weighing 16 lbs. nett to a ream of 500 sheets.	..	..	..	..	..	..
12	Paper, superior badami, D. F. C. size, weighing 20 lbs. nett to a ream of 500 sheets.	25	Indi- genous	3 14 0	20	Indi- genous	3 12 6
13	Paper, superior badami, D. F. C. size, weighing 24 lbs. nett to a ream of 500 sheets.	600	Do.	4 8 6	750	Not known	4 3 6
14	Paper, superior badami, D. F. C. size, weighing 28 lbs. nett to a ream of 500 sheets.	100	Not known	5 7 6	100	Do.	5 7 0
15	Paper, white laid, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 480 sheets.	110	Indi- genous	3 15 4	75	Indi- genous	3 14 6
16	Paper, white laid, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 480 sheets.	..	..	..	..	..	..
17	Paper, white wove, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 500 sheets.	50	Not known	4 6 0	100	Indi- genous	3 15 4
18	Paper, white laid, D. F. C. size, 27"×17", weighing 28 lbs. nett to a ream of 480 sheets.	100	Indi- genous	5 8 8	100	Do.	5 6 6
19	Paper, white wove, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 500 sheets.	100	Do.	4 9 0	75	Do.	4 14 0
20	Paper, white wove (Double Royal), 40"×27" size, weighing 42 lbs. nett to a ream of 500 sheets.	5	Not known	9 0 0	4	Do.	8 5 0

**BOMBAY, BARODA AND CENTRAL, INDIA RAILWAY, STORES
DEPARTMENT—contd.**

*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—contd.*

Item No.	Description.	1933-34.			1934-35.		
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	Quantity under Contract.	Imported or Indigenous.	Rate per Ream.
	PRINTING PAPERS— concl'd.	Reams		Rs. a. p.	Reams		Rs. a. p.
21	Paper, white laid, foolscap size, 17"×13½", weighing 14 lbs. nett to a ream of 500 sheets.	40	Indigenous	2 12 4	50	Indigenous	2 11 3.
	PACKING AND WRAP- PING PAPER.						
22	Paper, craft, 29"×22", weighing 20 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	250	Not known	2 9 9	300	Not known	2 9
23	Paper, craft, D. F. C. size, 27"×17", weighing 44 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	150	Do.	5 11 9	175	Imported	5 14 3.
24	Paper for packing, brown, 29"×22", weighing 48 lbs. nett to a ream of 480 sheets.	..	..	..	..	..	..
25	Paper, craft, 29"×22", weighing 48 lbs. nett to a ream of 480 sheets.	350	Not known	6 4 0	375	Not known	6 4 0
	MISCELLANEOUS PAPER.						
26	Paper, blotting, of pink and white colours, very absorbent quality, 22½"×17½", weighing 38 lbs. nett to a ream of 480 sheets, 12 sheets in a pack (supply to be half pink and half white).	112 113	Not known Imported	9 3 0 7 14 0	250	Imported	9 4 0
27	Paper, thin, for manifold copies, brief size (17"×13"), weighing 4½ lbs. to a ream of 480 sheets.	20	Not known	1 5 0	10	Indigenous	1 4 3
28	Paper, thin, for manifold copies, foolscap single size (13½"×8½"), weighing 2½ lbs. to a ream of 480 sheets.	350	Do.	0 10 6	450	Do.	0 10 2

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—contd.Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—contd.

Item No.	Description.	1935-36.			1936-37.		
		Quantity under Contract.	Imported or Indigenus.	Rate per Ream.	Quantity under Contract.	Imported or Indigenus.	Rate per Ream.
	WRITING PAPERS.	Reams		Rs. a. p.	Reams		Rs. a. p.
1	Paper, white laid, ordinary, 17"×13½" deep broad ruled with 32 blue lines ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	350	Indi- genous	2 15 0	400	Indi- genous	2 13 9
2	Paper, white laid, ordinary, 17"×13½" deep narrow ruled with 49 blue lines ¼" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	100	Do.	2 15 0	100	Do.	2 13 9
3	Paper, white laid, ordinary, 17"×13½" cross ruled with 40 blue lines ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	75	Do.	2 15 4	75	Do.	2 13 9
	PRINTING PAPERS.						
4	Paper, ordinary badami, Demy size, weighing 20 lbs. nett to a ream.	..	..	..	20	Indi- genous	2 10 0
5	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 16 lbs. nett to a ream of 500 sheets.	50	Indi- genous	2 2 8	600	Not known	2 2 3
6	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 500 sheets.	1,700	Not known	2 10 11	1,800	Do.	2 10 9
7	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 500 sheets.	300	Do.	3 3 6	200	Do.	3 0 0
8	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 28 lbs. nett to a ream of 500 sheets.	..	..	..	..	..	..
9	Paper, ordinary badami, Super royal size, 22"×29", weighing 28 lbs. nett to a ream of 500 sheets.	60	Not known	3 12 8	30	Indi- genous	3 14 6

**BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—contd.**

*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—contd.*

Item No.	Description.	1935-36.			1936-37.		
		Quantity under Contract.	Imported or Indigenus.	Rate per Ream.	Quantity under Contract.	Imported or Indigenus.	Rate per Ream.
	PRINTING PAPERS— contd.	Reams		Rs. a. p.	Reams		Rs. a. p.
10	Paper, Serampore, 40"×27", weighing 38 lbs. nett to a ream of 500 sheets.	20	Not known	3 11 6	20	Not known	3 11 6
11	Paper, superior badami, D. F. C. size, weighing 16 lbs. nett to a ream of 500 sheets.	..	..	..	8	Indigenus	3 2 8
12	Paper, superior badami, D. F. C. size, weighing 20 lbs. nett to a ream of 500 sheets.	..	..	..	..	..	..
13	Paper, superior badami, D. F. C. size, weighing 24 lbs. nett to a ream of 500 sheets.	800	Indigenus	7 4 0	1,000	Indigenus	4 10 0
14	Paper, superior badami, D. F. C. size, weighing 28 lbs. nett to a ream of 500 sheets.	100	Not known	5 7 0	120	Do.	5 6 0
15	Paper, white laid, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 480 sheets.	125	Do.	4 0 0	120	Do.	4 0 0
16	Paper, white laid, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 480 sheets.	15	Do.	4 13 6	15	Do.	4 12 0
17	Paper, white wove, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 500 sheets.	120	Do.	3 14 0	140	Not known	3 15 0
18	Paper, white laid, D. F. C. size, 27"×17", weighing 28 lbs. nett to a ream of 480 sheets.	110	Do.	5 8 0	110	Indigenus	5 7 3
19	Paper, white wove, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 500 sheets.	100	Do.	4 11 0	150	Do.	4 9 6
20	Paper, white wove (Double Royal), 40"×27" size, weighing 42 lbs. nett to a ream of 500 sheets.	..	..	..	..	..	..

**BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—contd.**

*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—contd.*

Item No.	Description.	1935-36.			1936-37.		
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	Quantity under Contract.	Imported or Indigenous.	Rate per Ream.
	PRINTING PAPERS—	Reams		Rs. a. p.	Reams		Rs. a. p.
	<i>concl.</i>						
21	Paper, white laid, foolscap size, 17"×13½", weighing 14 lbs. nett to a ream of 500 sheets.	75	Not known	2 12 0	80	Indigenous	2 12 0
	PACKING AND WRAPPING PAPER.						
22	Paper, craft, 29"×22", weighing 20 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	250	Not known	2 9 8	275	Not known	2 11 3
23	Paper, craft, D. F. C. size, 27"×17", weighing 44 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	200	Imported	5 12 6	200	Do.	5 11 6
24	Paper for packing, brown, 29"×22", weighing 48 lbs. nett to a ream of 480 sheets.			..	..	..	..
25	Paper, craft, 29"×22", weighing 48 lbs. nett to a ream of 480 sheets.	400	Imported	5 12 6	450	Imported	6 2 0
	MISCELLANEOUS PAPER.						
26	Paper, blotting, of pink and white colours, very absorbent quality, 22½"×17½", weighing 38 lbs. nett to a ream of 480 sheets, 12 sheets in a pack (supply to be half pink and half white).	200	Imported	9 3 0	250	Imported	9 3 0
27	Paper, thin, for manifold copies, brief size (17"×13"), weighing 4½ lbs. to a ream of 480 sheets.	30	Not known	1 5 0	40	Do.	1 4 10
28	Paper, thin, for manifold copies, foolscap single size (13½"×8½"), weighing 2½ lbs. to a ream of 480 sheets.	440	Do.	0 10 6	400	Do.	0 10 0

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—contd.Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—contd.

Item No.	Description.	1937-38.			Remarks.
		Quantity under Contract.	Imported or Indigenus.	Rate per Ream.	
	WRITING PAPERS.	Reams		Rs. a. p.	
1	Paper, white laid, ordinary, 17"×13½" deep broad ruled with 32 blue lines ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	400	Indigenous	3 10 0	
2	Paper, white laid, ordinary, 17"×13½" deep narrow ruled with 49 blue lines ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	80	Do.	3 10 0	
3	Paper, white laid, ordinary, 17"×13½" cross ruled with 40 blue lines, ⅜" apart on each side of a sheet, weighing 14 lbs. nett to a ream of 500 sheets.	90	Do.	3 10 0	
	PRINTING PAPERS.				
4	Paper, ordinary badami, Demy size, weighing 20 lbs. nett to a ream.	..	..	..
5	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 16 lbs. nett to a ream of 500 sheets.	375 375	Indigenous Do.	2 7 2 2 8 8	
6	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 20 lbs. nett to a ream of 500 sheets.	1,000 1,000	Do. Do.	3 2 10 3 1 0	
7	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 24 lbs. nett to a ream of 500 sheets.	265	Do.	3 11 0	
8	Paper, ordinary badami, D. F. C. size, 27"×17", weighing 28 lbs. nett to a ream of 500 sheets.	..	..	..
9	Paper, ordinary badami, Super royal size, 22"×29", weighing 28 lbs. nett to a ream of 500 sheets.	30	Indigenous	4 4 10	

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—*contd.*

Statement showing particulars of various kinds of papers purchased during the period from 1931-32 to 1937-38—contd.

Item No.	Description.	1937-38.			Remarks.
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	
	PRINTING PAPERS— <i>contd.</i>	Reams		Rs. a. p.	
10	Paper, Serampore, 40" × 27", weighing 38 lbs. nett to a ream of 500 sheets.	15	Not known	5 5 6	
11	Paper, superior badami, D. F. C. size, weighing 16 lbs. nett to a ream of 500 sheets.	8	Indigenous	3 10 8	
12	Paper, superior badami, D. F. C. size, weighing 20 lbs. nett to a ream 500 sheets.	42	Do.	4 9 3	
13	Paper, superior badami, D. F. C. size, weighing 24 lbs. nett to a ream 500 sheets.	1,150	Do.	5 7 6	
14	Paper, superior badami, D. F. C. size, weighing 28 lbs. nett to a ream of 500 sheets.	150	Do.	6 5 0	
15	Paper, white laid, D. F. C. size, 27" × 17", weighing 20 lbs. nett to a ream of 480 sheets.	120	Do.	4 11 9	
16	Paper, white laid, D. F. C. size, 27" × 17", weighing 24 lbs. nett to a ream of 480 sheets.	30	Do.	5 11 0	
17	Paper, white wove, D. F. C. size, 27" × 17", weighing 20 lbs. nett to a ream of 500 sheets.	..	..	..
18	Paper, white laid, D. F. C. size, 27" × 17", weighing 28 lbs. nett to a ream of 480 sheets.	100	Indigenous	6 10 6	
19	Paper, white wove, D. F. C. size, 27" × 17", weighing 24 lbs. nett to a ream of 500 sheets.	100	Do.	5 7 0	
20	Paper, white wove (Double Royal), 40" × 27" size, weighing 42 lbs. nett to a ream of 500 sheets.	..	..	..

**BOMBAY, BARODA AND CENTRAL INDIA RAILWAY, STORES
DEPARTMENT—conold.**

*Statement showing particulars of various kinds of papers purchased during
the period from 1931-32 to 1937-38—conold.*

Item No.	Description.	1937-38.			Remarks.
		Quantity under Contract.	Imported or Indigenous.	Rate per Ream.	
	PRINTING PAPERS— conold.	Reams		Rs. a. p.	
21	Paper, white laid, foolscap size, 17"×13½", weighing 14 lbs. nett to a ream of 500 sheets.	100	Indigenous	3 5 1	
	PACKING AND WRAP- PING PAPER.				
22	Paper, craft, 29"×22", weighing 20 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	275	Imported	3 15 0	
23	Paper, craft, D. F. C. size, 27"×17", weighing 44 lbs. nett to a ream of 480 sheets, 12 sheets in a pack for packing.	200	Do.	8 8 0	
24	Paper for packing, brown, 29"×22", weighing 48 lbs. nett to a ream of 480 sheets.			..	
25	Paper, craft, 29"×22", weighing 48 lbs. nett to a ream of 480 sheets.	400	Imported	8 15 0	
	MISCELLANEOUS PAPER.				
26	Paper, blotting, of pink and white colours, very absorbent quality, 22½"×17½", weighing 38 lbs. nett to a ream of 480 sheets, 12 sheets in a pack (supply to be half pink and half white).	250	Imported	10 8 0	
27	Paper, thin, for manifold copies, brief size (17"×13"), weighing 4½ lbs. to a ream of 480 sheets.	50	Do.	1 9 6	
28	Paper, thin, for manifold copies, foolscap single size (13½"×8½"), weighing 2½ lbs. to a ream of 480 sheets.	300	Do.	0 12 0	

(10) *Letter No. T. 2406, dated the 29th January, 1938, from the Agent, the Madras and Southern Mahratta Railway Co., Ltd., Madras.*

Further to my letter No. T. 2406, dated the 26th January, 1938, I have the honour to forward herewith the following statements furnishing the particulars required in paragraph 2 of your letter under reference:—

- (1) One statement in respect of paper imported against Home Indents.
- (2) Seven statements* (one for each year) in respect of paper purchased in India through annual contracts.

* Statement for 1937-38 is only printed.



Statement showing particulars of paper imported against Home Indents.

Description of Paper.	January 1932 to December 1932.		January 1933 to December 1933.		January 1934 to December 1934.	
	Quantity purchased.	Average price for 1,000 Sheets.	Quantity purchased.	Average price for 1,000 Sheets.	Quantity purchased.	Average price for 1,000 Sheets.
1. Writing paper—						
(a) Cream laid and cream wove	Sheets. 19,000	£ s. d. 1 9 10	Sheets. 9,000	Rs. s. p. 18 15 9	Sheets. ..	Rs. s. p. ..
2. Printing paper—						
(a) White Mechanical	5,090,000	0 7 0	2,835,720	5 9 2	2,311,875	5 9 3
(b) White free of Mechanical wood	1,470,000	0 10 11	1,590,000	10 11 3	..	..
(c) Tinted	311,710	0 6 3	713,000	5 4 3	301,000	4 11 5
3. Packing and wrapping paper—						
(a) Glazed Buff Sulphite wrappings	1,880,000	0 7 2½	1,876,744	6 7 9	3,556,246	6 2 0
(b) Brown wrappings	910,000	1 7 5	947,125	13 4 10	..	..
4. Miscellaneous paper—						
(a) Banks	80,000	1 15 1	63,000	25 6 0	8,000	25 1 0
(b) Bonds	40,000	1 5 10½	40,000	20 5 9	3,000	18 12 8
(c) Ledgers Azurelaid	38,000	2 11 2	37,000	50 12 1	..	..
(d) Cover papers	48,000	1 8 1	45,500	26 3 0	7,750	24 3 9
(e) Blotting white . . . . .	..	..	..	..	..	..

The information is given for the periods for which supplies were obtained on Home Indents.

The rates given for the period January to December 1932 are f. o. b. prices landed costs not being available.

Statement showing particulars of paper imported against Home Indents—contd.

Description of Paper.	April 1935 to March 1936.		April 1936 to March 1937.		April 1937 to March 1938.	
	Quantity purchased.	Average price for 1,000 Sheets.	Quantity purchased.	Average price for 1,000 Sheets.	Quantity purchased.	Average price for 1,000 Sheets.
1. Writing paper— (a) Cream laid and cream wove . . .	Sheets. 20,000	Rs. a. p. 23 2 3	Sheets. 10,000	Rs. a. p. 18 4 7	Sheets. ..	Rs. a. p. ..
2. Printing paper— (a) White Mechanical . . .	1,867,450	5 5 7	3,171,150	5 0 2	650,000	4 15 8
(b) White free of Mechanical wood . . .	828,500	10 6 10	138,500	10 9 6	..	..
(c) Tinted . . .	838,550	5 4 10	838,375	5 1 3	708,000	5 10 8
3. Packing and wrapping paper— (a) Glazed Buff Sulphite wrappings . . .	1,149,500	6 0 1	2,732,000	6 4 1	3,530,000	7 5 6
(b) Brown wrappings . . .	360,000	18 6 2	262,000	15 9 9	455,250	18 11 2
4. Miscellaneous paper— (a) Banks . . .	80,000	28 8 0	100,000	26 10 11	51,000	26 2 3½
(b) Bonds . . .	50,000	18 12 3	5,000	24 6 2	22,000	18 9 5
(c) Ledgers Azurelaid . . .	14,000	46 9 5	35,000	56 12 7	11,000	51 0 10
(d) Cover papers . . .	15,000	18 4 4	31,500	24 6 0	13,150	19 7 7
(e) Blotting white . . .	1,000	106 2 0	500	74 2 0	..	..

The information is given for the periods for which supplies were obtained on Home Indents.

The rates given for the period January to December 1932 are f. c. prices landed costs not being available.

Estimated quantities of paper purchased in India for the year 1937-38.

Serial No.	Class of paper.	Unit.	Quantity purchased.	Rate paid.		
		Shts.	Shts.	Rs. A. P.		
1	White Printings (Free of Mechanical Wood) substance based on Double Crown, 20"×30" 46 lbs. 1,000's—					
	(a) Double Large Foolscap 17"×27" 35/36 lbs.	1,000	230,000	6	13	4
	(b) Royal 10"×25" 38/39 lbs.	"	27,000	7	6	9
	(c) Imperial 22"×30" 50/51 lbs.	"	200,000	9	12	3
	(d) Double Royal 25"×40" 76/77 lbs.	"	70,000	14	13	6
	(e) Quad Large Foolscap 27"×34" 70/71 lbs.	"	475,000	13	10	9
2	White Printings (Free of Mechanical Wood) substance based on Double Crown, 20"×30" 54 lbs. 1,000's—					
	(a) Demy 17½"×22½" 35/36 lbs.	"	10,000	6	13	4
	(b) Double Large Foolscap 17"×27" 41/42 lbs.	"	240,000	8	0	1
	(c) Royal 20"×25" 45 lbs.	"	60,000	8	12	7
	(d) Imperial 22"×30" 59/60 lbs.	"	110,000	11	8	4
	(e) Quad Large Foolscap 27"×34" 82/83 lbs.	"	700,000	16	0	3
	(f) Double Royal 25"×40" 90 lbs.	"	90,000	17	9	3
	(g) Double Imperial 30"×44" 118/119 lbs.	"	3,000	23	0	9
3	White Printings "Free" Miscellaneous weights per 1,000's—					
	(a) Superfine Large Post 16½"×21" 38 lbs.	"	20,000	7	6	9
	(b) Superfine Double Foolcap 16½"×26½" 48 lbs.	"	20,000	9	6	0
	(c) Three Crowns, Double Large Foolscap 17"×27" 56 lbs.	"	40,000	10	15	0

Estimated quantities of paper purchased in India for the year 1937-38—contd.

Serial No.	Class of paper.	Unit.	Quantity purchased.	Rate paid.
		Shts.	Shts.	Rs. A. P.
4	Badami Printings (Free of Mechanical Wood) substance based on Double Crown, 20"×30" 46 lbs. 1,000's—			
	(a) Demy 17½"×22½" 30/31 lbs. .	1,000	6,000	5 13 9
	(b) Double Large Foolscap 17"×27" 35/36 lbs.	"	50,000	6 13 4
	(c) Royal 20"×25" 38/39 lbs. . .	"	25,000	7 6 9
	(d) Imperial 22"×30" 50/51 lbs. .	"	175,000	9 12 3
	(e) Double Demy 22½"×35" 60/61 lbs.	"	30,000	11 11 0
	(f) Quad Large Foolscap 27"×34" 70/71 lbs.	"	60,000	13 10 9
	(g) Double Royal 25"×40" 76/77 lbs..	"	150,000	14 13 6
5	Badami Printings (Free of Mechanical Wood) substance based on Double Crown, 20"×30", 54 lbs. 1,000's—			
	(a) Demy 17½"×22½" 35/36 lbs. .	"	50,000	6 13 4
	(b) Double Large Foolscap 17"×27" 41/42 lbs.	"	170,000	8 0 1
	(c) Royal 20"×25" 45 lbs. . .	"	5,000	8 12 7
	(d) Imperial 22"×30" 59/60 lbs. .	"	65,000	11 8 4
	(e) Double Demy 22½"×35" 70/71 lbs.	"	30,000	13 10 9
	(f) Quad Large Foolscap 27"×34" 82/83 lbs.	"	400,000	16 0 3
	(g) Double Royal 25"×40" 90 lbs. .	"	30,000	17 9 3
6	Paper, Blottings, Pink, Demy 17½"×22½" 80 lbs. 1,000's.	"	45,000	19 8 0

Estimated quantities of paper purchased in India for the year 1937-38—concl'd.

Serial No.	Class of paper.	Unit.	Quantity purchased.	Rate paid.
		Shts.	Shts.	Rs. A. P.
7	Writings, Cream Laid, Free, Miscellaneous Weights per 1,000's—			
	(a) Double Foolscap 16½"×26½" 40 lbs.	1,000	60,000	7 14 8
	(b) Double Foolscap 16½"×26½" 48 lbs.	"	200,000	9 8 0
	(c) Double Foolscap 16½"×26½" 56 lbs.	"	20,000	11 1 4
8	Banks, Miscellaneous Weights "Cream-wave" per 1,000's—			
	(a) Cream Wave Bank, Large Post, 16½"×21" 23 lbs.	"	3,000	5 6 3
	(b) Cream Wave Bank, Double Foolscap 17"×27" 31 lbs.	"	28,000	7 4 3
	(c) Cream Wave Bank, Typewriting Double Foolscap, 17"×27" 20 lbs.	"	20,000	4 11 0
9	Ledgers Azure Laid, Miscellaneous Weights, 1,000's—			
	Double Foolscap, 16½"×26½" 58 lbs. .	"	8,000	13 2 3

(11) *Letter No. 2080-R., dated the 31st January, 1938, from the Agent, North Western Railway, Lahore.*

A statement showing rates for paper and paper-pulp in force over this Railway during the year 1931-32 and the changes made therein since then is enclosed, as desired.

2. In the matter of freight rates, this Administration does not differentiate between imported and indigenous paper and the rates now in force (as shown in the enclosed statement) apply to both imported as well as indigenous paper. In the case of paper manufactured at Jagadhri and on East Indian Railway stations served *via* Saharanpur, however, to enable it to find a market at Karachi, we have quoted a special rate of As. 13-6 per maund for paper in bales or bundles at O. R. : W./300: L. from (i) Jagadhri and (ii) *via* Saharanpur to Karachi.

3. All papers specified in items (1) to (4) of paragraph 2 of your above quoted letter have been purchased through the Controller of Printing and Stationery, Calcutta, with the exception of ledger paper which is imported and not purchased since 1931.

Statement showing rates for paper and paper-pulp in force from 1931-32 up to date.

Name of articles.	Ordinary classified rate in force since 1931-32.	Rate in force over N. W. R. up to 14th September 1931.	Rate in force over N. W. R. from 15th September 1931 up to date.
Paper, N. O. C. in bales or bundles.	2nd class	C/J subject to the conditions O. R.; W-300; L.	1st class, O. R.; W-300; L.
Paper in rolls protected at the end and sides. (This entry came into existence from 1st September 1931.)	2nd class	There has been no change in these rates since 1931-32 and are in force at present also.	
Paper, N. O. C. in cases	4th class		
Paper pulp	1st class		

NOTE 1.—The basis of the rates as well as the explanation of the symbols used is given in the enclosed statement.

NOTE 2.—Besides the rates given above, the following special rates remained in force up to 14th September, 1931.

From	To	A. P.	
Vid Saharanpur (for Lahore traffic from Tita-ghur and Kankinara Amritsar paper mills.)	Do.	7 8	At Owner's Risk.
		6 6	Do.
		6 4	Do. W-300; L.
1st class rate	0.38 pie per maund per mile.		
2nd class rate	0.42 pie per maund per mile.		
C/J rate	0.380 pie per maund per mile for the first and up to 150 miles.		
	0.330 pie per maund per mile for extra distances above 150 miles but not exceeding 250 miles to be added to the charge for 150 miles.		
	0.200 pie per maund per mile for extra distances above 250 miles but not exceeding 500 miles to be added to the charge for 250 miles.		
	0.130 pie per maund per mile for extra distances above 500 miles but not exceeding 700 miles to be added to the charge for 500 miles.		
	0.100 pie per maund per mile for extra distances above 700 miles to be added to the charge for 700 miles.		

In addition to the rates calculated on the above basis, the following terminal and short distance charges are levied:—

- Terminal charge : . . . *Prior to 1st April, 1936, six pies per maund in local booking and three pies per maund in through booking with foreign railways.*
Since 1st April, 1936, eight pies per maund in local booking and four pies per maund in through booking with foreign railways.
- Short distance charge . . . Three pies per maund on all goods booked for distances less than 75 miles.

(2) The symbols used mean:—

- O. R. . . . Indicates that the rate applies at owner's risk.
 L. . . . Indicates that the loading and unloading must be performed by owners.
 W. . . . Followed by a figure indicates the minimum weight in maunds per 4-wheeled wagon to which the rate applies.

(12) *Extracts from the letter No. P. 29-G. 648, dated the 1st February, 1938, from the Printing Superintendent, East Indian Railway, Calcutta.*

I beg to inform you that the supplies of papers, etc., are obtained through the Controller of Printing and Stationery.

(13) *Copy of letter No. P. 854—2—15, dated the 3rd February, 1938, from the Superintendent of Stores, South Indian Railway Co., Ltd., Negapatam.*

PAPER.

Your letter No. 23, Poona, dated the 6th January, 1938, to our Agent, Trichinopoly.

Referring to paragraph 2 of your above, I beg to hand you enclosed a statement showing the details asked therein.

2. The particulars called for in paragraph 1 of your above will be furnished by our Chief Commercial Superintendent, Trichinopoly.

Statement showing the particulars of paper purchased during the seven years from 1931-32
Agent,

No.	Description of article.	Unit.	PUR			
			1931-32.		1932-33.	
			Quantity.	Value.	Quantity.	Value.
				Rs.		Rs.
I	Writing Paper—					
	(a) Books white—Imported .	lb.	445	910	713	1,108
	(b) Do. —Indigenous .	„	4,358	4,577	8,747	7,024
	(c) Books badamy—Indigenous	„	..	..	395	234
	(d) Paper writing white, etc. —Imported .	„	92	77	133	158
	(e) Do. —Indigenous	„	1,748	714	3,548	1,413
	(f) Paper writing—Indigenous badamy.	„	25,720	5,245	43,050	9,015
II	Printing paper—					
	(a) Paper white, etc.—Imported	„	..	..	..	..
	(b) Do. —Indigenous	„	..	..	..	..
	(c) Paper badamy —Indigenous	„	..	..	..	..
III	Packing and wrapping paper—					
	(a) Paper brown, etc.—Imported	„	7,500	1,561	8,400	1,743
	(b) Do. —Indigenous	„	120	19	62	14
	(c) Envelopes . . .	„	4,277	4,056	5,310	3,228
IV	Miscellaneous Paper such as blotting paper—					
	(a) Blotting paper—Imported .	„	1,311	733	1,900	1,055
	(b) Do. —Indigenous	„	..	..	..	..

asked for in the Tariff Board's letter No. 23, dated Poona, the 6th January, 1938, to the Trichinopoly.

CHASES MADE IN

1933-34.		1934-35.		1935-36.		1936-37.		1937-38 9 months only ending 31st December, 1937.		REMARKS.
Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	
	Rs.		Rs.		Rs.		Rs.		Rs.	
423	983	496	1,156	794	323	879	295	505	212	
9,128	6,281	8,522	5,910	2,678	1,444	2,188	1,102	1,960	945	
628	373	583	349	4,637	1,925	4,372	1,839	3,897	1,634	
85	129	54	117	209	222	206	280	336	333	
4,000	1,593	3,774	1,576	3,984	1,201	4,301	1,329	3,618	1,267	
49,630	9,031	45,290	6,134	59,200	6,048	38,620	4,228	50,510	7,104	
..	..	201	205	284	180	562	332	625	239	
..	..	672	221	445	157	140	46	..	..
..	..	7,880	1,727	9,779	1,801	5,318	622	7,067	1,197	
8,400	1,743	7,100	1,435	9,458	1,718	7,166	1,302	7,780	1,453	
1,134	141	1,163	147	1,213	154	1,373	174	1,274	161	
5,539	3,152	5,930	3,406	6,647	3,125	6,277	2,639	4,878	2,374	
1,976	1,105	1,919	1,073	..	..	..	..	..	..
				1,894	474	1,824	474	1,216	316	

The figures furnished in this statement for the years 1931-32 to 1934-35 do not include purchases made for supply direct to departments by Firms and the details of purchases under printing paper during the three years 1931-32 to 1933-34 are not available as the vouchers for both these transactions have been destroyed.

(14) *Letter No. C. 2097—21—360, dated the 4th February, 1938, from the Agent, Bengal Nagpur Railway, Calcutta.*

With reference to your letter No. 23, dated the 6th January, 1938, written from Poona, I beg to enclose herewith 5 copies each of the following:—

- (I) Our Commercial Traffic Manager's Note on "Freight rates for Paper" and "Freight rates for Paper Pulp" and two statements "A" and "B" referred to therein.
- (II) A statement showing particulars of paper purchased by this Railway from 1931-32 to 1936-37.

NOTES ON FREIGHT RATES FOR PAPER BY THE COMMERCIAL TRAFFIC MANAGER,
BENGAL NAGPUR RAILWAY, CALCUTTA.

Ordinary rates.—For the purpose of railway freight charges, Paper, N. O. C., in bales or bundles is classified at 2nd Class. The basis of 2nd Class rate is 42 pie per maund per mile. In computing railway charges, additional rates, such as terminal, transshipment, ferry, etc., are charged wherever leviable.

Schedule rates.—Over the Bengal Nagpur Railway no schedule rates are quoted for paper.

Station to Station rates.—Statements "A" and "B" show all the Station to Station rates quoted for Paper.

These rates apply only to paper manufactured in India, with the exception of the rate from Shalimar and *via* to Bombay which applies to both imported and indigenous paper.

The Station to Station rates are quoted on a lower basis than the class rates, the reduction varying from 32 per cent. to 68 per cent. as the distance carried increases. These rates have come into existence either as the result of our efforts to help indigenous industry or in competition with the sea route to Port stations, such as, Bombay, Madras, Calicut, etc.

Changes in rates.—Since 1931-32, some of the Station to Station rates have been further reduced while there has been an enhancement in three instances.

NOTES ON FREIGHT RATES FOR PAPER-PULP BY THE COMMERCIAL TRAFFIC
MANAGER, BENGAL NAGPUR RAILWAY, CALCUTTA.

Ordinary rates.—Paper-pulp is classified at 1st Class. The basis of 1st Class rate is 38 pie per maund per mile. In computing railway charges, additional rates, such as, terminal, transshipment, ferry, etc., are charged wherever leviable.

Schedule and Station to Station rates.—Over the Bengal Nagpur Railway no schedule or Station to Station rates are quoted for Paper-pulp.

STATEMENT 'A

Statement showing existing Station-to-Station rates for Paper, N. O. U., in bales or bundles.

Stations.		Miles.	Rly.	Existing rates at O. R. on actual weight.	Existing rates on minimum loads of 300 maunds at	
From	To,				O. R.	R. R.
				Per md.	Per md.	Per md.
				Rs. A. P.	Rs. A. P.	Rs. A. P.
Vid East Dock Jn. (for traffic from Tittaghur, Kanakina and Naihati)—(via Wagon Ferry).	Nagpur	701	B.N.	0 14 1	0 11 9	
	Vid Nagpur .	703	B.N.	0 14 1	0 11 9	
	Bombay (Vid Nagpur).	703	B.N.		0 8 2	0 9 8
		518	G.I.P.		0 6 1	0 10 9
		1,221			0 14 3	1 4 5
	Poona (Vid Nagpur).	703	B.N.		0 9 2	} L
		551	G.I.P.		0 11 3	
		1,254			1 4 5	
	Vid Waltair .	545	B.N.	0 13 5		
	Madras and Vid (Vid Waltair).	545	B.N.	0 11 0	0 6 10	
		485	M.S.M.	0 9 10	0 6 1	
		1,030		1 4 10	0 12 11	
	Calicut (Vid Waltair, Madras and Jalarpet).	545	B.N.	0 8 3		
		618	M.S.M.	0 10 10		
		281	S.I.	0 7 2		
		1,444		1 10 3		

"L" denotes that unloading should be done by the consignee.

N.B.—These rates apply to papers manufactured in India.

STATEMENT 'A'.—contd.

Statement showing existing Station-to-Station rates for Paper, N. O. C., in bales or bundles—contd.

Stations.		Miles.	Rly.	Existing rates at O. R. on actual weight.	Existing rates on minimum loads of 300 maunds at		
From	To				O. R.	R. R.	
				Per md.	Per md.	Per md.	
				Rs. A. P.	Rs. A. P.	Rs. A. P.	
Vid East Dock Jn. (for traffic from Tittaghur, Kan-kinara and Naihati)—(vid Wagon Ferry).	Tellicherry (Vid Waltair, Madras and Jalarpet).	545	B.N.	0 8 3			
		618	M.S.M.	0 10 6			
		323	S.I.	0 7 6			
		1,486		1 10 3			
	Cannanore (Vid Waltair, Madras and Jalarpet).	545	B.N.	0 8 3			
		618	M.S.M.	0 10 5			
		336	S.I.	0 7 7			
		1,499		1 10 3			
	Mangalore (Vid Waltair, Madras and Jalarpet).	545	B.N.	0 8 3			
		618	M.S.M.	0 10 0			
		418	S.I.	0 8 0			
		1,581		1 10 3			
	Ernakulam (Vid Waltair, Madras and Jalarpet).	545	B.N.		0 6 10		
		618	M.S.M.		9 9 5	L	
		292	S.I.		0 7 2		
		1,455			1 7 6		
	Quilon (Vid Waltair, Madras and Arkonam).	545	B.N.		0 8 3		
		528	M.S.M.		0 8 11	L	
		476	S.I.		0 10 9		
		1,549			1 11 11		

"L" denotes that unloading should be done by the consignee.

N.B.—These rates apply to papers manufactured in India.

STATEMENT 'B'.

Statement showing existing Station-to-Station rates for Paper, N. O. C., in bales or bundles:—

Stations.		Miles.	Rly.	Existing rates at O.R. on actual weight.	Existing rates at O. R. on minimum loads of 300 mds.
From	To			Per md. Rs. A. P.	Per md. Rs. A. P.
Vid Asansol (for traffic from Raniganj and Raniganj B. P. M. Siding).	Vid Nagpur . .	634	B.N.	0 13 9	0 11 7
	Poona (Vid Nagpur)	634	B.N.	..	0 8 3
		551	G.I.P.	..	0 13 3
		1,185		..	1 5 6
	Vid Waltair (for traffic to Coconada Port or Town).	605	B.N.	0 14 3	
	Madras and Vid (Vid Waltair).	605	B.N.	0 12 1	0 7 7
		485	M.S.M.	0 9 10	0 6 1
		1,090		1 5 11	0 13 8
	Calicut	605	B.N.	0 9 1	
	(Vid Waltair, Madras and Jalarpet.)	618	M.S.M.	0 10 10	
		281	S.I.	0 7 2	
		1,504		1 11 1	
	Tellicherry . .	605	B.N.	1 9 1	
	(Vid Waltair, Madras and Jalarpet.)	618	M.S.M.	0 10 6	
		323	S.I.	0 7 6	
		1,546		1 11 1	
	Cannanore . .	605	B.N.	0 9 1	
	(Vid Waltair, Madras and Jalarpet.)	618	M.S.M.	0 10 5	
		336	S.I.	0 7 7	
		1,559		1 11 1	

"L" denotes that unloading should be done by the consignee.

N.B.—These rates apply to papers manufactured in India.

STATEMENT 'B'—*contd.*

Statement showing existing Station-to-Station rates for Paper, N. O. C., in bales or bundles:—

Stations.		Miles.	Rly.	Existing rates at O. R. on actual weight.	Existing rates at O. R. on minimum loads of 300 mds.
From	To				
				Per md. Rs. A. P.	Per md. Rs. A. P.
Via Asansol (or traffic from Raniganj and Raniganj B. P. M. Siding.	Mangalore . . .	605	B.N.	0 9 1	
	(Via Waltair, Madras and Jalarpet.)	618	M.S.M.	0 10 0	
		418	S.I.	0 8 0	
		1,641		1 11 1	
	Ernakulam . . .	605	B.N.	..	0 7 7
	(Via Waltair, Madras and Jalarpet.)	618	M.S.M.	..	0 9 5
		292	S.I.	..	0 7 3
		1,515			1 8 3
Shalimar & Via.	Bombay (Via Nagpur)	703	B.N.	1 0 11	
		518	G.I.P.	0 12 5	
		1,221		1 13 4 (a)	
Bombay . . .	Via East Dock Jn. (for traffic to Kan-kinara and Tittag-ghur) (Via Nagpur and Wagon Ferry).	518	G.I.P.	..	0 6 1
		703	B.N.	..	0 8 2
		1,221			0 14 3
Hadapsar . . .	Do.	547	G.I.P.	..	0 11 5
		703	B.N.	..	0 9 2
		1,250			1 4 7

(a) Applicable when booked from Calcutta (Garden Reach), Armenian Ghat, Kidder-pore Docks including Jetties, Via East Dock Jn. and Via West Dock Jn.

"L" denotes that unloading should be done by the consignee.

N.B.—These rates apply to papers manufactured in India except from Shalimar and Via

Particulars of Paper purchased by the B. N. Railway from 1931-32 to 1936-37.

Quality of Paper.	Year.	Rate per Ton.	Tonnage.	Country of manufacture.	Price.	REMARKS.
Art Paper	1931-32	Rs. A. P. 1,276 4 0	16	Imported .	Rs. A. P. 127 10 0	All other kinds of paper during this year were obtained through Central Stationary Office.
White Printing	1932-33	503 11 9	43½	Indian .	21,912 6 6	
Common Badami	"	431 11 6	69½	" .	30,004 7 1	
White Cartridge	"	504 2 9	4½	" .	2,268 12 6	Indian paper during this period was purchased through Bengal Paper Mills. Imported paper was purchased from the market.
Brown Cartridge	"	315 3 7	7	" .	2,206 9 0	
Cream Wove	"	552 8 6	4	" .	2,210 2 0	
Azure Laid	"	547 8 0	2	" .	1,095 0 0	
Coloured Printing	"	519 12 10	5	" .	2,599 0 0	
Ditto	"	310 1 3	½	Imported .	44 4 9	
Art Paper	"	986 1 0	½	" .	164 5 6	
Bank Paper	"	624 3 6	½	Indian .	24 15 6	
Semi-absorbent Duplicating	"	505 12 8	4½	" .	2,276 1 0	
White Printing	1933-34	490 9 5	17½	" .	8,585 4 5	

Particulars of Paper purchased by the B. N. Railway from 1931-32 to 1936-37—contd.

Quality of Paper.	Year.	Rate per Ton.	Tonnage.	Country of manufacture.	Price.	REMARKS.
Common Badami	1933-34	Rs. A. P. 427 6 8	28½	Indian . . .	Rs. A. P. 12,181 6 8	Indian paper during this period was purchased through Bengal paper Mills. Imported paper was purchased from the market.
Manilla Paper	"	441 0 1	4½	" . . .	1,984 8 6	
Brown Cartridge	"	309 6 0	5½	" . . .	1,701 9 0	
Cream Wove Bank	"	648 12 0	10	" . . .	64 6 0	
Coloured Printing	"	470 6 1	7½	" . . .	3,410 4 0	
Ditto	"	591 4 0	4	Imported . . .	145 5 0	
Art Paper	"	1,385 0 0	10	" . . .	138 8 0	
Semi-absorbent Duplicating	"	488 12 5	2½	Indian . . .	1,221 15 0	
Ditto	1934-35	485 0 0	3	" . . .	1,455 0 0	
Art Paper	"	1,260 0 0	10	Imported . . .	126 0 0	
Ditto	1935-36	1,260 0 0	10	" . . .	126 0 0	From 1st November 1933. All other kinds of paper are being supplied by the printing contractors of the Railway.
Semi-absorbent Duplicating	"	486 4 10	3½	Indian . . .	1,702 1 0	
Ditto	1936-37	507 10 3	4½	" . . .	2,284 6 0	
Art Paper	"	1,260 0 0	10	Imported . . .	126 0 0	

- (15) Letter No. C. R./S. T. 1/B. A. 96, dated the 7th February, 1933, from the Chief Commercial Manager (G.), East Indian Railway, Calcutta.

Re: RATES FOR PAPER AND PAPER-PULP.

With reference to paragraph 1 of your letter No. 23 of the 6th ultimo to the Agent of this Railway, I beg to forward herewith a note embodying the required information regarding Rail Freight on Paper and Paper-pulp. I would make it clear, however, that all rates quoted are liable to be altered by the Administration at any time and are not to be regarded as permanent quotations.

Four spare copies of the note are enclosed as desired. Please acknowledge receipt.

Enclosure.

PAPER.

Paper in Cases.—Classified 4 Class=62 pies per maund per mile. In addition to the class rate, terminal and short distances charges are levied. These charges are:—

	Prior to 1st April, 1936.	From 1st April, 1936.
Terminal at booking station	3	4
Terminal at destination	3	4
Short distance charge for traffic under 75 miles	3	3

There has been no change in the general basis of charge nor have any schedule, station-to-station, wagon load or other concessional rates been quoted for Paper in Cases since 1931-32, except a special station-to-station rate of As. 8-7 per maund (which is still in force) quoted from Howrah to Chandisthan in December, 1932, and extended to Monghyr in April, 1935, in competition with river transport.

Paper in Bales or Bundles.—Classified 2nd Class=42 pies per maund per mile, plus terminal and short distance charges as shown under "Paper in Cases".

During the years 1931-34 (inclusive) Paper in bales and bundles from indigenous Paper Milling centres on this Railway were charged at special lump sum station-to-station rates. From 1st November, 1935, these special rates were for the most part cancelled and replaced by "A" schedule scale plus Terminal for consignments in minimum wagon load of 300 maunds and "C/J" Schedule scales for small lots on actual weight. These scales only apply to traffic from the Paper Mills at Naihati, Tittagarh, Raniganj and Lucknow and have recently also been extended to the new mills at Jagadhri (North Western Railway) and Dehri-on-Sone. The table below shows how the rates at 2nd Class, "A" and "C/J" Schedule scales inclusive of terminal charges compare:—

Miles.	2nd class rates inclusive of terminal charges. Rs. A. P.	'A' Schedule Scale inclusive of terminal charges. Rs. A. P.	'C/J' Schedule Scale inclusive of terminal charges. Rs. A. P.
50	0 2 8	0 2 6	0 2 6
100	0 4 2	0 3 10	0 3 10
200	0 7 8	0 5 8	0 6 10
300	0 11 2	0 7 6	0 9 0
400	0 14 8	0 8 9	0 10 8
500	1 2 2	0 10 0	0 12 4
600	1 5 8	0 11 3	0 13 5
700	1 9 2	0 12 3	0 14 6
800	1 12 8	0 13 2	0 15 4
900	2 0 2	0 14 2	1 0 2
1,000	2 3 8	0 15 1	1 1 0

Paper-pulp.—Paper-pulp and Wood-pulp are classified 1st Class—38 pies per maund per mile. In addition to the Class rate, terminal and short distance charges are levied as shown under “Paper in Cases”.

The following special rates for Wood-pulp are at present in force:—

The ordinary corresponding 1st Class rates have also been shown for purpose of comparison:—

From	To	Special rate, O. R. ; W-300 L.	Corresponding 1st class rate.
		A. P.	Rs. A. P.
Howrah	Lucknow	10 8	1 4 4
Do.	Via Lucknow (for traffic to Badshahnagar).	10 8	1 4 0
Do.	Raniganj B. P. M. siding	2 9	0 4 9

General Remarks.—A statement* is enclosed showing the rates that have been quoted for Paper in bales and bundles from Howrah and various Paper mill centres to certain principal stations on this Railway from time to time during the last seven years.

The reduced rates quoted for Paper from Howrah, i.e., Port of Calcutta, are in adjustment with the rates quoted by the North Western Railway for traffic from Karachi port and are, as will be observed, restricted to a few competitive centres. They apply differentially to stations short of such competitive points wherever cheaper than the ordinary rates. These, however, are the only few concessional rates which the imported paper can take advantage of, while the extent of concession in the matter of Rail freights enjoyed by Paper of indigenous manufacture is evident from the concession rates quoted from *via* Naihati, Raniganj and *via* Lucknow for traffic from the Local Paper Mills. The following table indicates the incidence of existing freight for paper in wagon loads of say 300 maunds from Howrah, Raniganj, Naihati to certain selected centres:—

Stations to	Stations from		Raniganj B. P. M. siding for 300 mds.
	Howrah for 300 mds.	Naihati for 300 mds.	
	Rs.	Rs.	Rs.
Benares Cantonment	297	167	144
Lucknow	420	211	188
Cawnpore	430	213	191
Bareilly	516	236	219
Belanganj	528	242	223
Delhi	483	263	244
Saharanpur	506	269	250

* Not printed.

(16) Letter No. 42616, dated the 17th/18th February, 1938, from the Agent, His Exalted Highness the Nizam's State Railway, Secunderabad (Deccan).

As desired in your letter No. 23, dated the 6th January, 1938, I send herewith a statement showing the rates in force over this railway for paper and paper-pulp since 1931 together with four copies of a statement showing the particulars of paper purchased by this Railway during the years 1931-32 to 1936-37.

Statement showing the existing rates applicable to paper and paper-pulp over this Railway and the Station-to-Station rates quoted both in local and through booking.

CLASSIFIED RATES.

No.	Commodity.	Rate.	Remarks.
1	Paper N. O. C. in bales or bundles.	II R. R. .42 pie per maund per mile.	No change in the classification since 1931.
2	Paper N. O. C. in cases . . .	IV R. R. .62 pie per maund per mile.	
3	Paper-pulp	I R. R. .38 pie per maund per mile.	
In addition to the maund mile rates a terminal charge of 16 pies per maund in local booking and 8 pies per maund in through booking will be levied.			

STATION-TO-STATION RATES.

No.	Commodity.	Stations.		Rate per maund.	Remarks.
		From	To		
1	Paper-pulp			Rs. A. P.	
	Bamboo-pulp (in liquid condition in casks or tins) O. R.	Hyderabad M. G.	Daulatabad .	0 6 0	
			Aurangabad .	0 5 9	

I.

Description.	Unit.	1931-32.				1932-33.			
		Indian.		Imported.		Indian.		Imported.	
		Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Writing papers.</i>									
1. Paper cream laid superfine ruled	Ream	..	Rs. A. P.	2*	Rs. A. P.	..	Rs. A. P.	..	Rs. A. P.
2. Paper cream laid bank superfine 17" x 27"	"	..	..	6*	16 15 6	..	..	..	..
3. Paper superfine creamwove 13½" x 8½" headed Agent's Office.	"	..	..	3*	9 13 4	..	..	..	..
4. Paper letter creamwove single sheet embossed Heading 10" x 8".	"	..	..	5*	3 13 1 8	..	..	..	..
5. Paper creamwove bank 13" x 8½" plain	"	..	..	5*	9 13 2	..	..	..	..
6. Paper letter cream laid 10" x 8" embossed Agent's Office.	"	..	..	1*	9 14 0	..	..	..	..
7. Paper plain continuation sheets	"	..	..	5*	9 12 2	..	..	..	..
8. Paper headed note creamwove 10" x 8" headed Agent's Office.	"	..	..	5*	3 7 7	..	..	..	..
9. Paper plain continuation sheet	"	..	..	3*	10 12 8	..	..	..	..
10. Paper headed note creamwove 8" x 5" single H. E. H. N. S. Rly. embossed heading.	"	..	..	16*	5 13 2	..	..	10*	6 3 4
11. Paper manifold 13½" x 8½"	"	..	..	50*	2 9 11	..	..	100	..
12. Do. 10" x 8"	"	..	..	25	1 10 0	..	..	25	1 8 0
13. Paper plain continuation sheet 8" x 5"	"	..	..	..	..	..	..	10*	2 1 11
14. Paper cream laid superfine 14 lbs.	"	..	..	5*	1 15 7	..	..	5	0 12 6
15. Paper white 10" x 8"	"	..	..	..	..	..	..	..	..
16. Paper cream laid foolscap ruled 13½" x 17"-14 lbs.	Sheets	300	3 3 0	..	..	..	..	..	..
17. Do. do. plain do.	Reams	..	..	..	..	252	3 3 0	100	2 3 0

* Indicate Home supply.

I—contd.

Description.	Units.	1933-34.				1934-35.			
		Indian.		Imported.		Indian.		Imported.	
		Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Writing papers.</i>									
1. Paper cream laid superfine ruled	Ream	..	Rs. A. P.	..	Rs. A. P.	..	Rs. A. P.	2*	Rs. A. P.
2. Paper cream laid Bank superfine 17" x 27"	"	..	..	10*	12 12 1	..	..	6*	8 3 10
		..	..	11	4 4 0	..	..	1*	12 9 1
3. Paper superfine creamwove 13½" x 8½" headed	"	..	..	..	..	..	..	..	13 9 5
4. Paper letter creamwove single sheet embossed	"	..	..	6*	7 10 6	..	..	18*	7 8 0
5. Paper creamwove bank 13" x 8½" plain	"	..	..	..	..	..	..	..	..
6. Paper letter cream laid 10" x 8" embossed Agent's	"	..	..	..	..	..	..	2*	9 9 7
Office.		..	..	9*	4 3 0	..	..	..	..
7. Paper plain continuation sheets	"	..	..	2½*	9 9 3	..	..	1½*	10 15 9
8. Paper headed note creamwove 10" x 8" headed	"	..	..	1*	4 6 0	..	..	1*	5 4 0
Agent's Office.		..	..	24*	4 14 10	..	..	6*	5 13 5
9. Paper plain continuation sheet . 8" x 5" single	"	..	..	155*	2 7 1	..	..	120*	2 7 3
10. Paper headed note creamwove 8" x 5" single	"	..	..	55	1 8 0	..	..	..	..
11. Paper manifold 13½" x 8½"	"	..	..	12*	1 8 7	..	..	2*	1 10 3
Do. do. 10" x 8"	"	..	..	10*	2 2 8	..	..	4*	2 7 6
13. Paper plain continuation sheet 8" x 5"	"	..	..	4*	3 8 3	..	..	..	..
14. Paper cream laid superfine 14 lbs.	"	..	..	..	..	..	..	..	..
15. Paper white 10" x 8"	"	..	..	..	..	..	..	..	..
16. Paper cream laid foolscap ruled 13½" x 17"—14 lbs.	Sheets	..	..	..	..	..	..	..	..
Do. do. plain do.	Ream	200	2 14 8	..	..	271	2 12 0	..	..
Do. do. plain do.	"	50	2 1 4	..	..	216	1 15 8	..	..

* Indicate Home supply.

I—concl.

Description.	Units.	1935-36.				1936-37.			
		Indian.		Imported.		Indian.		Imported.	
		Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Writing Papers.</i>									
1. Paper cream laid superfine ruled	Ream	..	Rs. A. P.	..	Rs. A. P.	..	Rs. A. P.	..	Rs. A. P.
2. Paper cream laid bank superfine 17" x 27"	"	..	..	3	12 12 0	..	..	11*	12 6 9
3. Paper superfine creamwove 13½" x 8½" headed Agent's Office.	"	..	..	..	..	..	..	..	..
4. Paper letter creamwove single sheet embossed Heading 10" x 8".	"	..	..	5*	10 1 10	..	..	10*	8 1 5
5. Paper creamwove bank 13" x 8½" plain	"	..	..	..	..	..	..	..	..
6. Paper letter cream laid 10" x 8" embossed Agent's Office.	"	..	..	..	..	..	..	..	..
7. Paper plain continuation sheets	"	..	..	10*	4 0 8	..	..	..	..
8. Paper headed note creamwove 10" x 8" headed Agent's Office.	"	..	..	..	..	..	..	1	15 14 0
9. Paper plain continuation sheet	"	..	..	..	..	..	..	..	..
10. Paper headed note creamwove 8" x 5" single H. E. H. N. S. Rly embossed heading.	"	..	..	100*	2 6 4	..	..	13*	5 11 0
11. Paper manifold 13½" x 8½"	"	..	..	137	1 7 0	..	..	100*	2 8 6
12. Do. 10" x 8"	"	..	..	..	..	..	..	170	1 1 0
13. Paper plain continuation sheet 8" x 5"	"	..	..	6*	2 3 8	..	..	4	3 0 0
14. Paper cream laid superfine 14 lbs.	"	..	..	..	..	..	..	4*	3 14 6
15. Paper white 10" x 8"	"	..	..	..	..	..	..	2*	5 8 6
16. Paper cream laid foolscap ruled 13½" x 17"—14 lbs.	Sheets	328	2 12 0	..	..	..	..	1,000	55 15 0 104
17. Do. do plain do.	Ream	140	2 2 0	..	..	331	2 13 0	..	..
	"	..	..	..	..	35	2 5 0	..	..

* Indicate Home supply.

II.

Description.	Unit.	1931-32.				1932-33.			
		Indian.		Imports.		Indian.		Imports.	
		Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Printing Papers.</i>									
1. Paper printing white 40" x 27" = 60 lbs.	Ream.	25	Rs. A. P. 13 7 0	..	Rs. A. P. ..	284	Rs. A. P. 12 4 0	..	Rs. A. P. ..
2. do. 40 lbs.	"	..	..	..	..	250	8 8 8	..	..
3. " Creamlaid double foolscap 27" x 17" = 24 lbs.	"	250	5 6 0	..	..	150	4 15 3	..	..
4. " White cartridge 27" x 20" = 45 lbs.	"	25	10 8 9	..	..	40	9 13 6	..	..
5. " Badami printing 40" x 27" = 60 lbs.	"	..	..	..	..	258	7 8 9	..	..
6. do. 50 lbs.	"	..	..	..	..	302	8 14 6	..	..
7. do. 40 lbs.	"	..	..	..	..	795	7 3 10	..	..
8. do. 32 lbs.	"	352	5 8 0	..	..	614	5 5 0	..	..
9. " Pink Manilla 29" x 20" = 18 lbs.	"	..	..	257	4 1 0	..	..	159	3 1 6
10. " Yellow printing 27" x 20" = 24 lbs.	"	..	..	43	4 4 0	..	..	76	4 8 0
11. " do. 18" x 23" = 23 lbs.	"	..	..	..	..	..	..	1	10 0 0
12. " Green printing 27" x 20" = 28 lbs.	"	..	..	..	..	..	..	2	7 0 0
13. do. 27" x 20"	"	..	..	57	5 0 0	..	..	..	..
14. " Blue printing 27" x 20" = 20 lbs.	"	..	..	..	..	..	..	..	..
15. " Manilla " 27" x 20" = 60 lbs.	"	..	..	..	..	..	..	1	20 0 0
16. " White " 40" x 27" = 32 lbs.	"	750	7 0 0	..	..	910	6 13 4	..	..
17. " White foam Art. 20" x 30"	Lb.	..	..	1=50 lbs.	0 7 0	..	..	7=315 (45 lb.)	0 7 6
18. " Yellow printing 28½" x 18½" = 60 lbs.	Ream.	..	..	..	..	..	..	..	..
19. " Azure laid Loft dried 22" x 17" = 34 lbs.	"	..	..	5*	36 0 5	..	..	..	..
20. " Dark green 30" x 20" = 60 lbs.	"	..	..	..	..	..	..	..	..
21. " Heliotrope	"	..	..	..	..	..	..	..	..
22. " White foam Art. 20" x 30" = 80 lbs.	Lb.	..	..	..	..	..	..	..	..
23. " Cream laid double foolscap Superfine 27" x 17" = 24 lbs.	Ream.	..	..	4*	16 4 3	..	..	80	5 1 9

* Indicates Home Supply.

* Indicates Home Supply.

* Indicates Home Supply.

II—*contd.*

Description.		Unit.	1935-36.				1936-37.			
			Indian.		Imported.		Indian.		Imported.	
			Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Printing Papers.</i>										
1.	Paper printing white 40" x 27" = 60 lbs.	Ream.	402	Rs. A. P. 12 0 0	..	..	497	Rs. A. P. 11 1 6	..	Rs. A. P. ..
2.	Do. 40 lbs.	"	224	7 6 4	..	..	499	7 6 4	..	..
3.	Creamlaid double foolscap 27" x 17" = 24 lbs.	"	675	4 8 0	..	..	413	4 8 0	..	..
4.	White cartridge 27" x 20" = 45 lbs.	"	50	16 0 0	..	..	30	21 0 0	5*	20 4 0
5.	Badami printing 40" x 27" = 60 lbs.	"	341	6 14 0	..	..	562	6 14 0	..	..
6.	Do. 50 lbs.	"	328	5 11 8	..	..	324	5 12 0	..	..
7.	Do. 40 lbs.	"	959	4 9 4	..	..	1,320	4 9 4	..	..
8.	Do. 32 lbs.	"	624	3 11 0	..	..	885	3 12 0	..	..
9.	Pink Manilla 29" x 20" = 18 lbs.	"	..	..	313	1 15 0	..	..	324	2 6 0
10.	Yellow printing 27" x 20" = 24 lbs.	"	..	..	80	3 0 0	..	..	155	2 13 0
11.	" 18" x 23" = 23 lbs.	"	..	..	26	8 7 0	..	..	33	4 15 0
12.	Green " 27" x 20" = 28 lbs.	"	..	..	5	9 0 0	..	..	3	5 8 0
13.	" 27" x 20" = 28 lbs.	"	..	..	42	4 5 0	..	..	268	3 5 0
14.	Blue " 27" x 20" = 20 lbs.	"	..	..	9	2 12 0	..	..	145	2 10 0
15.	Manilla " 27" x 20" = 60 lbs.	"	809	6 8 0	..	..	824	6 8 0	..	..
16.	White " 27" x 20" = 32 lbs.	"	..	..	9 =	0 6 3	..	..	109 =	0 6 3
17.	White foam Art. 20" x 30"	Lb.	..	..	405 lb.	..	..	..	4,905 lb.	..
18.	Yellow printing 28½" x 18½" = 60 lbs.	Ream.	..	..	10	22 7 0	..	..	1*	5 8 0
19.	Azure laid Loft dried 22" x 17" = 34 lbs.	"	..	..	2	11 12 0	..	..	+3	41 5 0
20.	Dark green 30" x 20" = 60 lbs.	"	..	..	..	..	..	..	4	+22 7 0
21.	Heliotrope	"	..	..	..	..	..	..	50	16 14 0
22.	White foam Art. 20" x 30" = 80 lbs.	Lb.	..	..	..	..	..	..	5 =	2 15 0
23.	Creamlaid Double Foolscap Superfine 27" x 17" = 24 lbs.	Ream.	..	..	53	7 8 5	..	..	400 lb.	0 7 0
			..	..	+3*	8 12 8	..	..	17*	5 9 0
									26	5 2 0

* Indicates Home Supply.

III

Description.	Unit.	1931-32.						1932-33.					
		Indian.		Imported.		Indian.		Imported.		Indian.		Imported.	
		Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Packing Papers.</i>													
1. Paper, brown, 29" x 22" = 40 lbs.	Ream.	..	..	253	5 0 0	..	..	..	..	202	..	5 0 0	..
2. Paper, brown, 20" x 19" = 80 lbs.	"	..	..	115	11 4 0	..	..	..	..	120	..	11 4 0	..
3. Paper, brown, 29" x 22" = 50 lbs.	"	..	..	32	6 4 0	..	..	..	..	104	..	6 4 0	..
4. Paper, brown, 29" x 22" = 30 lbs.	"	..	..	..	..	..	..	..	..	..	..	..	..
<i>Miscellaneous.</i>													
1. Paper, white blotting, 23" x 18" = 38 lbs.	"	45	9 4 10	..	..	59	14 2 0	..	..	..	..	..	..
2. Straw boards, 30" x 25" = 48 oz.	Cwt.	..	..	..	..	..	..	..	..	..	..	..	..
3. Straw boards, 30" x 25" = 32 oz.	"	..	..	20	7 8 0	..	..	..	..	65	..	6 8 0	..
4. Straw boards, 30" x 25" = 24 oz.	"	..	..	..	..	..	..	..	..	20	..	7 8 6	..
5. Boards paste, white glazed = 27" x 20" = 5½ oz.	%	..	..	*3,000	14 10 2	..	..	..	..	..	..	..	..
6. Straw board, 30" x 25" = 12 oz.	Cwt.	..	..	10	7 8 0	..	..	..	..	..	..	..	..

* Indicates Home Supply.

III—contd.

Description.	Unit.	1933-34.				1934-35.			
		Indian.		Imported.		Indian.		Imported.	
		Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Packing Papers.</i>									
1. Paper, brown, 29" × 22" = 40 lbs.	Ream.	..	..	153	5 0 0	..	..	191	4 11 0
2. Paper, brown, 20" × 19" = 80 lbs.	"	..	..	60	10 13 4	..	..	120	10 7 0
3. Paper, brown, 29" × 22" = 50 lbs.	"	..	..	56	6 4 0	..	..	92	5 13 0
4. Paper, brown, 29" × 22" = 30 lbs.	"	..	..	11	3 14 6	..	..	15	3 8 3
<i>Miscellaneous.</i>									
1. Paper, white blotting, 23" × 18" = 38 lbs.	"	35	9 14 4	..	..	40	8 5 0	..	..
2. Straw boards, 30" × 25" = 48 oz.	Cwt.	..	..	3	5 12 0	..	..	1½	6 4 0
3. Straw boards, 30" × 25" = 32 oz.	"	..	..	70	5 12 0	..	..	103	6 7 0
4. Straw boards, 30" × 25" = 24 oz.	"	..	..	11	3 14 6	..	..	15	3 8 3
5. Boards paste, white glazed = 27" × 20" = 5½ oz.	%	..	..	5,700	8 0 0	..	..	18,000	6 8 0
6. Straw board, 30" × 25" = 12 oz.	Cwt.	..	..	..	..	..	..	17	5 4 0

III—*concid.*

Description.	Unit.	1935-36.				1936-37.			
		Indian.		Imported.		Indian.		Imported.	
		Ream.	Rate.	Ream.	Rate.	Ream.	Rate.	Ream.	Rate.
<i>Packing Papers.</i>									
1. Paper, brown, 29" × 22" = 40 lbs.	Ream.	..	..	268	Rs. A. P. 4 6 0	50	8 12 0	175	Rs. A. P. 4 6 0
2. Paper, brown, 20" × 19" = 80 lbs.	"	..	..	72	8 12 0	110	8 12 0	115	9 4 0
3. Paper, brown, 29" × 22" = 50 lbs.	"	..	..	60	5 8 0	..	..	107	5 6 0
4. Paper, brown 29" × 22" = 30 lbs.	"	..	..	10	3 5 0	..	..	21	5 14 6
<i>Miscellaneous.</i>									
1. Paper, white blotting, 23" × 18" = 38 lbs.	"	65	10 9 0	..	..	25	13 6 0	..	..
2. Straw boards, 30" × 25" = 48 oz.	Cwt.	..	..	3	5 8 0	..	..	3	5 7 0
3. Straw boards, 30" × 25" = 32 oz.	"	..	..	68	5 8 0	..	..	121	5 7 0
4. Straw boards, 30" × 25" = 24 oz.	"	..	..	10	3 5 0	..	..	21	5 14 6
5. Boards paste, white glazed = 27" × 20" = 5½ oz.	%	..	..	22,500	4 15 2	..	..	29,500	6 8 0
6. Straw boards 30" × 25" = 12 oz.	Cwt.	..	..	..	..	..	..	..	..

(17) *Letter No. 19132, dated the 24th/25th February, 1938, from the Agent, Bengal and North-Western Railway and Rohilkund and Kumaon Railway, Gorakhpur.*

BAMBOO PAPER AND PAPER-PULP INDUSTRIES.

With reference to paragraph 2 of your letter No. 23, dated the 6th January, 1938, I beg to send herewith a statement (with 3 spare copies) showing full particulars of our purchases of paper for each year since 1931-32, which include purchases for the Rohilkund and Kumaon Railway as the paper for the use of this Railway is purchased through the Bengal and North-Western Railway. The purchases made direct by the Rohilkund and Kumaon Railway are negligible.

In regard to paragraph 1 of your letter, I also enclose a statement each (with 3 spare copies) of the freight rates of the Bengal and North-Western and Rohilkund and Kumaon Railways respectively.

Rates for Paper and Paper-pulp—Bengal and North-Western Railway.

(i) *Ordinary rates.*—The classified rates for these commodities are as follows:—

Commodities.	Classified rate.	Pies per maund per mile.*	Conditions.
Paper N. O. C. in bales or bundles	2	42	Railway Risk.
Paper N. O. C. in cases	4	62	Do.
Blotting paper in bales, or bundles	2	42	Do.
Fly paper	{ 2A	46	Do.
	{ 2	42	Owner's Risk.
Paper in rolls protected at the ends and sides	2	42	Railway Risk.
Paper Kites	2	42	Do.
Oily paper	{ 9	125	Do.
	{ 8	104	Owner's Risk.
Paper, spools or cones	{ 2A	46	Railway Risk.
	{ 2	42	Owner's Risk.
Paper tubes	1	38	Railway Risk.
Paper transfers	6	83	Do.
Paper waste	1	38	Do.
Paper wall	6	83	Do.
Paper ware N. O. C.	4	62	Do.
Paper washers	2	42	Do.
Paper pulp	1	38	Do.

(ii) *Schedule rates.*—Schedule rates are not quoted for these commodities over this Railway.

* The following additional charges also levied:—

Terminal.—6 pies per maund in through booking and 1 anna per maund in local booking.

Transshipment.—A transshipment charge of 3 pies per maund is levied in case of through booking involving break of gauge.

(iii) *Station-to-Station rates.*—The following station-to-station rates are quoted over this Railway:—

Commodity.	From	To	Rate per maund.
			As. P.
Paper in bales or bundles .	Badshahnagar	Via Cawnpore .	1 9
Paper writing or other, in bales or bundles at Owner's Risk.	Do.	Cawnpore-Cooperganj (locally).	1 8

(iv) *Wagon load or other concession rates.*—The following reduced rates are quoted for "paper waste" when offered in a minimum load of 100 maunds per 4-wheeled wagon:—

Stations.		Rate per maund.
From	To	
		P.
Via Lucknow	Badshahnagar	8
„ Barabanki	Do.	9
„ Daliganj	Do.	8

2. There have been no changes in the rates of these commodities since 1931-32. In the case of the following articles, however, the alternative Railway Risk rates have been reduced as a result of the general revision of Railway Risk rates in the Tariff, with effect from 1st May, 1936:—

Commodities.	Railway Risk rates.			
	Prior to 1st May, 1936.		From 1st May, 1936.	
	Class.	Pies per maund per mile.*	Class.	Pies per maund per mile.*
Fly paper	4	62	2A	46
Paper spools or cones	4	62	2A	46

3. This Railway does not make any discrimination between the indigenous and the imported article.

* Plus the usual terminal and transhipment charges.

Rates for Paper and Paper-pulp—Rohilkund and Kumaon Railway.

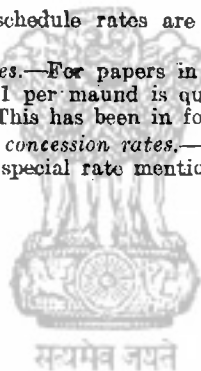
(i) *Ordinary rates.*—On Rohilkund and Kumaon Railway ordinary rates for paper and paper-pulp are the classified rates for different descriptions of paper shewn in Indian Railway Conference Association Goods Tariff and no changes are made in the rates as indicated below:—

	1932.	1937.
	Class.	Class.
Papers N. O. C. in bales or bundles .	2	2
Papers N. O. C. in cases or bundles .	4	4
Papers blotting in bales or bundles .	2	2
Paper, wall	6	6
Papers in rolls protected at both ends and sides	2	2
Paper, kites	2	2
Paper-pulp	1	1
Paper, waste	1	1

(ii) *Schedule rates.*—No schedule rates are chargeable on this Railway for paper or paper-pulp.

(iii) *Station-to-station rates.*—For papers in bales or bundles at Owner's Risk a special rate of As. 8-1 per maund is quoted over this Railway from *viâ* Daliganj to Haldwani. This has been in force since 1932.

(iv) *Wagon load or other concession rates.*—No concession rate in wagon load is quoted excepting the special rate mentioned in item (iii) above.



Statement showing the quantity and Rate of Printing paper bought since 1931-32.

Description of paper.	1931-32		1932-33		1933-34		1934-35	
	Quantity (Reams).	Rate (Per ream).	Quantity (Reams).	Rate (Per ream).	Quantity (Reams).	Rate (Per ream).	Quantity (Reams).	Rate (Per ream).
		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.
<i>Printing.</i>								
Paper, Badami, 22" x 36", 40 lbs. .	175	6 9 0	..	..	189	6 9 0	275	5 3 4
" " 17" x 27", 20 " .	2,760	3 10 4	1,040	3 4 6	1,855	3 4 6	2,656	2 10 1
" " 22" x 29", 28 " .	200	5 0 6	201	5 0 6	..	..	450	4 6 0
" Sup. " 22" x 29 40 " .	25	8 8 8	..	..	..	..	..	..
" " " 28 " .	100	6 9 0	..	..	125	5 8 4	..	..
" " Badami 26" x 40" 48 " .	50	8 10 0	232	8 10 0	200	7 14 0	490	6 4 0
" Sup. Badami, 29" x 44", 44 lbs. .	50	9 6 4	..	..	..	..	..	..
" " " 17" x 27", 16 " .	200	3 6 8	650	3 6 8	..	..	..	..
" " " 17" x 27", 24 " .	50	5 2 0	43	5 2 0	175	4 12 0	..	..
" " " 22" x 29", 20 " .	150	4 4 4	49	4 4 4	250	4 4 4	400	3 14 6
" Palp Board, white, 20" x 28", 120 lb. .	78	30 15 0	190	27 8 0	111	27 8 0	7	25 5 0
" White, 22" x 36", 40 lbs. .	100	8 12 0	97	8 12 0	..	..	..	..
" Cream laid 20" x 26", 34 lbs. .	3	9 0 6	..	..	..	..	..	..
" White Cream wove, 22" x 29", 36 lbs. .	4	8 7 0	..	..	..	..	..	..

"	"	17"×27", 20 lbs.	400	4 6 0	480	4 6 0	850	4 6 0	480	3 2 0
"	Cream laid, 17"×27", 32 lbs.		100	7 12 0	35	7 0 0	50	6 9 4	..	..
"	"	28 "	300	6 2 0	..	..	150	5 12 2	..	..
"	"	16½"×26", 30 "	15	16 6 6	15	17 5 6	15	17 5 6	35	18 12 0
"	Conquerer Azure laid, 19"×24", 42 lbs.		5	31 8 0	..	..	..	..	..	..
"	White, 26"×40", 36 lbs.		..	..	10	7 9 0	..	..	25	7 2 0
"	" Cream wove, 20"×26", 36 lbs.		..	..	1	8 9 0	..	..	..	..
"	Conquerer Azure laid, 17"×27", 30 lbs.		..	..	2	22 0 0	15	18 12 0	..	..
"	White, 22"×29", 28 lbs.		..	..	..	..	450	5 11 0	..	..
"	Brown, 17"×27", 80 "		12	2 8 0	38	11 4 0	..	..	..	..
"	" 26"×40", 40 "		30	6 4 0	70	5 10 0	..	..	150	4 12 8
"	" 26"×40", 48 "		..	..	264	6 12 0	..	..	..	..
"	" 22"×29", 28 "		..	..	..	..	..	..	..	..
"	" 22"×29", 80 "		..	..	..	..	..	..	190	9 9 4
"	Salmon, 20"×26", 24 "		25	6 0 0	28	6 0 0	50	5 0 0	..	..
"	Coloured, 20"×26", 20 "		..	..	67	4 9 3	..	..	95	4 3 6
"	" 17"×27", 16 "		..	..	..	..	..	..	..	..
"	" 20"×26", 25 "		..	..	..	..	..	..	..	..
"	Sup. Bad., 22"×36", 40 lbs.		..	..	10	8 8 8	..	..	..	..

Statement showing the quantity and Rate of Printing paper bought since 1931-32—contd.

Description of paper.	1931-32		1932-33		1933-34		1934-35	
	Quantity (Reams)	Rate (Per ream).	Quantity (Reams)	Rate (Per ream).	Quantity (Reams)	Rate (Per ream).	Quantity (Reams)	Rate (Per ream).
		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.
<i>Printing—contd.</i>								
Paper, Sup. Bad., 18" x 22", 24 lbs.	80	5 12 0	..	..	..	..
" " 26" x 40", 48 "	10	10 4 0	..	..	..	..
" " 17" x 27", 28 "	50	5 15 8	..	..	100	5 8 8
" Badami, 22" x 29", 24 lbs.	312	3 15 0	..	..	300	3 4 0
" " 17" x 27", 16 "	300	2 10 0	200	2 2 8	100	2 0 8
" " 26" x 40", 36 "	123	5 14 6	..	..	233	4 15 6
" Sup. Badami, 26" x 40", 36 lbs.	250	7 7 4	..	..	150	8 11 8
" " 17" x 27", 20 "	775	4 4 4	..	..	800	3 15 4
" Badami, 22" x 29", 20 lbs.
" Sup. Badami, 17" x 27", 20 lbs.
" Pulp Board Badami, 120 "	9	27 8 0	10	27 8 0	20	25 5 0
" " Pink 120 "
" White, 20" x 26", 28 lbs.	23	6 9 0	..	..
" " 18" x 22", 3 "	10	6 13 4	..	..

Statement showing the quantity and Rate of Printing paper bought since 1931-32—contd.

Description of Paper.	1935-36		1936-37		1937-38	
	Quantity (Reams).	Rate (Per ream).	Quantity (Reams).	Rate (Per ream).	Quantity (Reams).	Rate (Per ream).
<i>Printing—contd.</i>						
Paper, Badami, 22" × 36", 40 lbs.	300	Rs. A. P. 5 1 8	..	..	370	Rs. A. P. 5 6 8
" " 17" × 27", 20 "	2,000	2 11 4	625	2 8 10	1,600	2 11 4
" " 22" × 29", 28 "	100	5 8 8	350	3 12 8	90	3 12 8
" Sup. " 22" × 29", 40 "	..	..	20	7 14 8	..	..
" " " 28 "	..	..	..	..	..	..
" Badami, 26" × 40", 48 "	400	6 8 0	475	6 8 0	..	..
" Sup. Badami, 29" × 44", 44 lbs.	..	..	..	..	..	..
" " 17" × 27", 16 "	..	..	378	3 4 0	..	..
" " 17" × 27", 24 "	..	..	..	..	..	..
" " 22" × 29", 20 "	..	..	..	..	..	..
" Pulp Board, white, 20" × 26", 120 lbs.	177	25 5 0	30	25 0 0	100	23 12 0
" White, 22" × 36", 40 lbs.	..	..	..	..	..	..
" Cream laid, 20" × 26", 34 lbs.	..	..	..	..	..	..
" White Cream wove, 22" × 29", 36 lbs.	..	..	..	..	..	..

"	"	17" x 27", 20 lbs.	1,275	4 0 6	400	3 15 4	450	3 15 4
"	"	Cream laid, 17" x 27", 32 "	50	6 6 8	..	..	..	..
"	"	" 28 "	300	5 15 8	..	..	40	5 8 8
"	"	" 16 1/2" x 26", 30 "	16	18 4 3	..	..	18	18 4 6
"	"	Conquer Azure laid, 19" x 24", 42 lbs.	..	..	..	..	..	..
"	"	White, 26" x 40", 36 lbs.	..	..	..	..	..	..
"	"	" Cream wove, 20" x 26", 36 lbs.	..	..	..	..	..	..
"	"	Conquer Azure laid, 17" x 27", 30 lbs.	15	18 12 0	..	..	40	18 4 6
"	"	White, 22" x 29", 28 lbs.	..	..	..	..	..	..
"	"	Brown, 17" x 27", 80 "	..	..	..	..	..	..
"	"	" 26" x 40", 40 "	..	..	..	..	30	5 0 0
"	"	" 26" x 40", 48 "	200	5 12 0	..	..	..	..
"	"	" 22" x 29", 28 "	100	2 12 4	..	..	..	..
"	"	" 22" x 29", 80 "	..	..	..	..	56	11 10 8
"	"	Salmon, 20" x 26", 24 "	..	..	..	..	..	..
"	"	Coloured, 20" x 26", 20 "	110	4 2 8	..	..	..	..
"	"	" 17" x 27", 16 "	..	..	115	3 4 0	..	..
"	"	" 20" x 26", 25 "	..	..	..	..	20	5 1 3
"	"	Sup. Badami, 22" x 36", 40 lbs.	15	7 14 8	..	..	..	..

Statement showing the quantity and Rate of Printing paper bought since 1931-32—contd.

Description of Paper.	1935-36		1936-37		1937-38	
	Quantity (Reams).	Rate (per ream).	Quantity (Reams).	Rate (per ream).	Quantity (Reams).	Rate (per ream).
<i>Printing—concld.</i>		Rs. A. P.		Rs. A. P.		Rs. A. P.
Paper Sub. Badami, 18" x 22", 24 lbs.	..	..	..	..	..	..
" " 20" x 40", 48 "	50	9 8 0	80	9 0 0	..	..
" " 17" x 27", 28 "	150	5 8 8	125	5 8 8	..	..
" Badami, 22" x 28", 24 "	100	3 4 0	270	4 8 0	..	..
" " 17" x 27", 16 "	100	2 0 8	..	..	..	..
" " 20" x 40", 36 "	..	..	120	4 14 0	130	5 7 0
" Sup. Badami, 26" x 40", 36 "	..	..	..	..	..	..
" " 17" x 27", 20 "	..	..	700	3 15 4	120	3 13 8
" Badami, 22" x 28", 20 "	100	2 11 4	..	..	200	3 0 4
" Sup. Badami, 17" x 27", 20 "	400	3 15 4	..	..	..	..
" Pulp Board Badami, 120 "	..	..	20	25 0 0	..	..
" " Pink, " "	40	25 0 0	..	..	..	..
" " White 20" x 26", 28 "	..	..	..	..	..	..
" " 18" x 22", 32 "	..	..	..	..	..	..

Statement showing of rate of writing paper purchased since 1931-32.

Description of Paper.	1931-32		1932-33		1933-34		1934-35	
	Quantity (Reams.)	Rate (per ream).	Quantity (Reams.)	Rate (per ream).	Quantity (Reams.)	Rate (per ream).	Quantity (Reams.)	Rate (per ream).
Paper, badami, 17"×27", 20 lbs.	440	Rs. A. P. 3 10 4	260	Rs. A. P. 3 4 6	464	Rs. A. P. 3 4 6	664	Rs. A. P. 2 10 1
" white, 17"×27", 20 "	100	4 6 0	120	4 6 0	200	4 6 0	120	3 2 0
" note, 8"×10"	80	3 4 0	45	3 8 0	..	..	..	..
" quarto-note	3	12 0 0	3	4 0 0	..	..	..	..
" note Basker velli	2	24 0 0	..	..	..	..	..	..
" ruled, 13½"×17", 14 lbs.	50	3 6 3	30	3 5 0	80	..	..	..
" plain, 13½"×17", 14 "	102	3 3 6	..	..	50	2 14 8	25	2 12 11
" Type-writer, manifold . . . . .	..	..	50	0 12 9	20	0 11 3	75	0 12 9
" Bank post crosby, 18 lbs.	12	12 6 0	..	..	..	..	2	5 1 0
" Bank post, 15 lbs. . . . .	..	..	50	3 13 10½	97	3 13 10½	85	3 13 10
" Old India Parchment, 8"×5"	..	..	..	..	..	..	..	..

Statement showing of rate of writing paper purchased since 1931-32—contd.

Description of Paper.	1935-36		1936-37		1937-38	
	Quantity (Reams).	Rate (per ream).	Quantity (Reams).	Rate (per ream).	Quantity (Reams).	Rate (per ream).
		Rs. A. P.		Rs. A. P.		Rs. A. P.
Paper, badami, 17"×27", 20 lbs.	500	2 11 4	175	2 8 10	500	2 11 4
" white, 17"×27", 20 "	325	4 0 6	100	3 15 4	110	3 15 4
" note, 8"×10"	50	3 4 0	..	..	50	3 10 0
" quarto-note	2	7 8 0	..	..	5	7 0 0
" note Basker velli . . . . .	..	..	..	..	..	..
" ruled, 13½"×17", 14 lbs.	150	2 14 11	..	..	30	2 14 4
" plain, 13½"×17", 14 "	42	2 12 11	35	2 15 10	15	2 12 4
" Type-writer, manifold	75	0 12 0	127	0 12 10	20	1 9 9
" Bank post crosby, 18 lbs.	60	8 7 0	..	..	20	..
" Bank post, 15 lbs.	30	3 12 0	100	4 0 0	..	..
" Old India Parchment, 8"×5"	2	14 8 0	..	..	..	..

Statement showing quantity and rate of packing and miscellaneous paper purchased since 1931-32.

Description of Paper.	1931-32.		1932-33.		1933-34.		1934-35.	
	Quantity (Ream).	Rate (per ream).	Quantity (Ream).	Rate (per ream).	Quantity (Ream).	Rate (per ream).	Quantity (Ream).	Rate (per ream).
<i>Packing Paper.</i>		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.
Paper Super Royal Brown, 44 lbs.	484	7 0 0	16	7 0 0	198	6 12 0	320	6 4 0
<i>Miscellaneous.</i>								
Paper, Carbon, blue, Single sided.	69	35 0 0	33	32 0 0	90	32 0 0	57	32 0 0
" " Double sided	14	29 0 0	8	27 8 0	2	27 8 0	..	..
" Wax Stencil for Gestetner	12 Qrs.	7 8 0 per qr.	1 R. 15 qr.	8 0 0 per qr.	..	..	..	..
" Blotting 18" x 22", 38 lbs.	40	10 1 6	105	10 1 6	50	9 4 0	..	..
" Whatmans drawing	..	..	1 R. 5 qr.	15 12 0 per qr.	12	15 4 0 per qr.	..	..
" Blotting, thin for Stereo	..	..	1	13 0 0	..	..	125	10 8 0
" Carbon, type writer	..	..	20	21 4 0	18 R. 8 qr.	21 4 0	16	9 11 0
" Durotype Stencil	..	..	..	..	1 R. 5 qr.	6 4 0 per qr.	1 R. 10 qr.	6 4 0 per qr.
" Kalotype Stencil	..	..	..	..	..	..	..	..
" Tissue	..	..	..	..	1	3 8 0	..	..
" Marble	..	..	..	..	..	..	..	..

Statement showing quantity and rate of packing and miscellaneous paper purchased since 1931-32.

Description of Paper.	1935-36.		1936-37.		1937-38.	
	Quantity (Ream).	Rate (per ream).	Quantity (Ream).	Rate (per ream).	Quantity (Ream).	Rate (per ream).
<i>Packing Paper.</i>		Rs. A. P.		Rs. A. P.		Rs. A. P.
Paper Super Royal Brown, 44 lbs.	279	6 0 0	162	6 0 0	275	5 14 0
<i>Miscellaneous.</i>						
Paper, Carbon, blue, Single sided	91	30 0 0	85	30 0 0	24	30 0 0
" " " Double sided	..	..	6	23 0 0	..	..
" Wax Stencil for Gestetner	..	..	..	..	..	..
" Blotting 18" x 22", 38 lbs.	50	10 4 0	77	10 4 0	37	12 0 0
" Whatmans drawing	20	14 12 0	..	..	2 R. 1½ qr.	14 0 0
" Blotting, thin for Stereo	..	..	..	..	..	per qr. ..
" Carbon, type writer	12	9 11 0	22	9 11 0	15 0 0	9 11 0
" Durotype Stencil	15 qr.	6 4 0	1 R. 5 qr.	6 11 0	28	5 14 0
" Kalrotype Stencil	2	95 0 0	8 qr.	95 0 0	4	per yr. 95 0 0
" Tissue	..	..	10 qr.	2 0 0	..	..
" Marble	..	..	3	per qr. 12 0 0	..	..

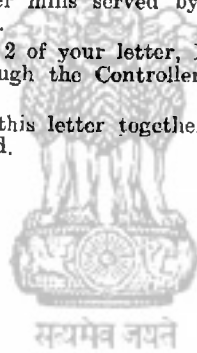
(18) *Letter No. R. 112—7/P VII/C. R. D.-II, dated the 2nd March, 1938, from the Agent, Eastern Bengal Railway, Calcutta.*

In continuation of this office letter No. R. 112—7/P VIII C. R. D.-II of 20th January, 1938, I have the honour to send herewith a statement showing the freight rates for paper and paper-pulp in force over this Railway from 1931 up to the present time. It may be mentioned that Paper traffic has been and is at present charged at the ordinary tariff rates and that no schedule or station-to-station rates have so far been quoted for these commodities over this Railway.

2. As regards "Paper-pulp", it is presumed that this refers to materials which are converted in the Paper Mill into "Pulp" for the manufacture of paper and would cover bamboos, crushed or split, hosiery cuttings or Traylor's cuttings, waste refuse and Bagasse (crushed sugarcane refuse). I enclose herewith a further statement showing the freight rates (ordinary, schedule, station-to-station and wagon load concession rates) for all such commodities in force over this Railway from 1931 up to the present time. It may be noted that wherever class or schedule or wagon load concession rates are applicable, such rates apply to all traffic generally, i.e., whether booked to the Docks for export or to the local paper mills, but it will also be observed that certain station-to-station lump sum rates per maund have been quoted over this Railway for paper mills served by this Railway and also East Indian Railway *via* Naihati.

3. As regards paragraph 2 of your letter, I would state that all supplies of paper are obtained through the Controller of Printing and Stationery, Government of India.

4. Four spare copies of this letter together with copies of the enclosure are sent herewith as desired.



STATEMENT I.

Articles.	Period for which the rates were/are in force.	BASES OF THE RATES.		REMARKS.
		Rate.	Basis of charge.	
Paper, N. O. C. in bales or bundles.	In force from 1931 to this date.	2nd class RR	For any distance. Pie per md. per mile. *42*	NOTE.—In addition to these basic rates, the following terminal charges will be leviable :— From 1st February 1931 to 14th March 1931 the following were the terminal charges on traffic booked to and from Kidderpore Docks and Jetties :— For local booking 9 pies per maund for both ends. For through booking 5 pies per maund. From 1st February 1931 to 31st December 1935 in the case of booking to and from stations other than Kidderpore Docks and Jetties and from 15th March 1931 to 31st December 1935 in the case of booking to and from Kidderpore Docks and Jetties the following were the terminal charges.— For local booking 8 pies per maund for both ends. For through booking 4 pies per maund. From 1st January 1936 in local booking and from 1st February 1936 in through booking, the terminal charges both in respect of traffic booked to and from (1) Kidderpore Docks and Jetties, (2) stations other than Kidderpore Docks and Jetties, have been revised as under and these charges are still in force— For local booking 10 pies per maund for both ends. For through booking 5 pies per maund.
Paper, N. O. C. in cases.	Ditto	4th class RR	Do 38*	
Paper pulp .	Ditto	1st class RR	Do 38*	

* As regards terminal charges see "Remarks" column on this page.

† In the case of 4th class rate the terminal charges are higher by 2 pies per maund in local booking and by 1 pie per maund in through booking, than the charges shown above.

STATEMENT II.

Articles.	Period for which the rates were/are in force.	BASES OF THE RATES.			Remarks.
		Rates.	Basis of charges.	Rate per maund per mile.	
Bamboos, crushed or split in bales of 1½ mds. each.	From 1st January, 1931 to 31st October, 1935.	C/O Schedule O/R. W/360 BG. and W/160 MG.	For the 1st and up to 75 miles.	Pie.	NOTE.—In addition to the basic rates for 1st Class and C/O and C/N Schedule the terminal charges as shown in the "Remarks" column on page 407 of the Statement I will be leviable.
			Plus 76 to 400 miles	.300	
			Plus 401 and upwards	.170	
			For the 1st and up to 75 miles.	.100	
		C/N Schedule O/R. W/300 BG. and W/160 MG.	Plus 76 to 150 miles	.333	
Bamboos chips		Plus 151 to 300 miles	.200	
			Plus 301 to 400 miles	.170	
			Plus 401 miles and upwards.	.125	
		1st Class RR	For any distance	.100	
				.38	
Hosiery cuttings and Tailors cuttings.	From 1st January, 1931 to this date.	Ditto	Ditto	.38	

Waste refuse	From 1st January 1931 to 31st December 1936.	C/N Schedule at O. R. (to <i>Via</i> Katihar for traffic to stations on the B. & N. W. Ry.)	Same as shown at page 1 of the Statement II against C/N Schedule.	..	The terminal charges in the case of basic rates for Classes 2A and 4, are higher than those for 1st class rate (<i>vide</i> Statement I) as under :—
	From 1st January 1937 to this date.	4th Class RR (on actual weight.)	For any distance . . .	·96	
		(a) 2A RR; (b) 2 OR W/200 BG and W/100 BG or NG.	Ditto. . .	(a) ·46 (b) ·42	Higher by In local booking 2 pies per md. In through booking 1 pie per md.
Baled Bagasse (crushed sugarcane refuse) intended for paper manufacturing.	From 1st January 1931 to 14th April 1933.	4th Class RR . . .	Ditto. . .	·96	In addition to the basic rates for 2nd class and C/N schedule the terminal charges as shown in the "Remarks" column of the statement I at page 1 will be leviable.
	From 15th April 1933 to 31st December 1936.	C/N Schedule OR . . .	Same as shown at page 1 of the Statement II against C/N Schedule.	..	
	From 1st January 1937 to this date.	4th Class RR (on actual weight) (a) 2A RR; (b) 2 OR W/200 BG W/100 MG.	For any distance . . . Ditto. . .	·96 (a) ·46 (b) ·42	

Articles.	STATIONS.		ORDINARY CLASS RATES.		Condi- tions.	STATION-TO-STATION RATES.		Conditions.
	From	To	Period	Rate per Maund.		Period.	Rate per maund.	
	Via Khulna	Naihati	{ 1st January 1931 to 31st January 1936. 1st February 1936 till date. }	Rs. A. P. 0 4 0 1st Class 0 4 1 "	{ R.R.L. " }	From 1931 till date.	Rs. A. P. 0 1 9	O. R. W. 160, L
	do.	Via Naihati (for traffic from A. B. Ry. Stations)	1st January 1931 till date.	0 3 8 "	"	do.	0 1 9	do.
	do.	Tittaghur Pa-per Mills No. I Via Tittaghur.	{ 1st January 1931 to 31st January 1936. 1st February 1936 till date. }	0 4 3 " 0 4 4 "	{ " " }	do.	0 2 0 38	do.
	do.	Tittaghur Pa-per Mills No. II Via Kan-kinara	{ 1st January 1931 to 31st January 1936. 1st February 1936 till date. }	0 4 0 " 0 4 1 "	{ " " }	do.	0 1 10 38	do.

Bamboos, cru-
shed or split

	Fulchhari	Naihati.	0 8 3	"	do.	0 4 3	...
in bales of 1½ mds. each for paper- making pur- poses.	Via Mymensingh (for traffic from Jharria Janjail).	Naihati (<i>via</i> Fulchhari)	{ 1st January 1931 to 31st January 1936. 1st February 1936 till date. 1st January 1931 to 31st Janu- ary 1936. 1st February 1936 till date. In case of Naihati 1st January 1931 to 31st January 1936. 1st February 1936 till date. In case of <i>via</i> Naihati 1st January 1931 till date .	{ " " " " " " " " " " "	{ do. From 1st Dec- ember 1931 till date. From 1931 till date. do. do.	{ 0 4 3 0 4 3 0 3 7 0 3 0	{ ... O. R. W-100, L do. do.

Articles.	STATIONS.		ORDINARY CLASS RATES.		Condi- tions.	STATION-TO-STATION RATES.		
	From	To	Period.	Rate per maund.		Period.	Rate per Md.	Conditions.
	Via Mymensingh (for traffic from Chunarughat, Khowai, Sat- gaon, Setiyajuri, Srimangal and Teliapara.	Naihati and (Via FCI)		Rs. A. P.		From 1931 till date.	Rs. A. P. 0 3 9	C.R.W-100, L.
	Via Mymensingh (for traffic from Dhakimbhag, Karinganj Kata- khal, Longai, Bedarpur Ghat, Barfaka, Bhanga and Chargola).	do.				From 1931 till date.	0 3 11	do.
	Via Mymensingh (for traffic from Bhanugach Juri, Kulaura and Sichar).	do.	In case of Nai- hati 1st Jan- uary 1931 to 31st January 1936, 1st February 1936 till date.	0 10 1 1st Class 0 10 2 " "	RRL "	From 1931 till date.	0 3 10	do.

Bamboos, cru-
shed or split

in bales of 14 mds. each for paper making purposes— <i>contd.</i>	Via Mymensingh (for traffic from Ashuganj Bazar, Bandar Khal, Balla, Damchura, Ditokchura, Lalabazar, Lalaghat and Monochura).	do.	In case of viz Naibati 1st January, 1931 till date.	0 9 9 "	"	From 1931 till date.	0 4 0	do.
	Via Mymensingh (for traffic from Haranganjao, Jatinga and Lower Haflong).	do.				From 1931 till date.	0 4 1	do.
	Via Mymensingh (for traffic from Hatikhal).	do.				From 1931 till date.	0 4 3	do.
	Via Mymensingh (for traffic from Mahur, Langting, Mailbang and Mupe).	do.				From 1931 till date.	0 4 2	do.

Articles.	STATIONS.		ORDINARY CLASS RATES.		Condi- tions.	STATION-TO-STATION RATES.		
	From	To	Period	Rate per maund.		Period	Rate per maund.	Conditions.
	Via Mymensingh (for traffic from Nayanpur).	Naihati and (via FCI)	In case of Naihati. 1st January 1931 to 31st Janu- ary 1936.	Rs. A. P. 0 10 1 1st class	R. R, L	From 1931 till date.	0 3 3	O. R, W-100, L
	Via Mymensingh (for traffic from Rajapur).	do.	1st February 1936, till date.	0 10 2 " "	R. R, L			
			In case of via Nai- hati. 1st January 1931, till date.	0 9 9 " "	R. R, L	do.	0 3 2	do.
	Via Mymensingh (for traffic from Badarpur, Char- gola, Katakhal, Longai and Sil- char).	Tittaghar (for traffic from paper Mill No. 1 via Tittaghar.				From 1931 till date.	0 4 2-38	do.

Bamboos, cru-
shed or split

in bales of 1½ mounds each for pa- per making— could.	Via Mymensingh (for traffic from Balla, Lalaghat Bazar, Lalaghat and Monachera.)	do.	1st January 1931 to 31st Janu- ary 1936.	0 10 5 1st class	R. R. L.	do.	0 4 3 38	do.
	Via Mymensingh (for traffic from Belonia).	do.	1st February 1936 till date.	0 10 6 " "	R. R. L.	do.	0 3 3 38	do.
	Via Mymensingh (for traffic from Bhanugach and Juri).	do.				do.	0 4 1 38	do.
	Via Mymensingh (for traffic from Manu and Sri- mangal).	do.				do.	0 4 0 38	do.
	Via Mymensingh (for traffic from Balla, Lalaghat, Lala Bazar, Monachera and Silchar).	Tittagbur Pa- per Mills No. II via Kankinara.	1st January 1931 to 31st Janu- ary 1936. 1st February 1936 till date.	0 10 2 1st class 0 10 3 " "	R. R. L. R. R. L.	do. do.	0 4 1 38	do.

Articles.	STATIONS.		ORDINARY CLASS RATES.		Condi- tions.	STATION-TO-STATION RATES.		
	From	To	Period.	Rates per maunds.		Period.	Rate per md.	Conditions.
Bamboos, cru- shed or split in bales of 1½ maunds each for papermaking purposes.	Via Mymensingh (for traffic from Juri, Bhanga, Chargola and Longai).	Tittaghar Paper Mills, No. II Via Kankunara.		Rs. A. P.		From 1931 till date.	Rs. A. P. 0 4 0-38	O. R. W/100, L
	Via Mymensingh (for traffic from Bhanugach and Manu).	Do.	1st January 1931 to 31st Janu- ary 1936.	0 10 2 1st class	B. R., I.	Do.	0 3 11-38	Do.
	Via Mymensingh (for traffic from Srimangal).	Do.	1st February 1936 till date.	0 10 3 "	"	Do.	0 3 10-38	Do.
	Via Mymensingh (for traffic from Belonia).	Do.				Do.	0 3 1-38	Do.

Articles.	Period for which the rates were/are in force.	WAGON LOAD CONCESSION RATES.		SPECIAL WAGON LOAD CONCESSIONAL RATE.			Rate per 4-wheeled covered wagon or open truck, the marked floor area of which is over 200 sq. ft.						
		Rate.	Basis of charge.	For distances from	Rate per 4-wheeled covered wagon or open truck, the marked floor area of which is 200 sq. ft. or less—.								
					Rs.	A. P.							
Bamboo chips (Bamboos crushed, split, or unsplit, including cut bamboos exceeding 6 ft. but not exceeding 16 ft. in length, in bales of 1½ mds. each between any station in local booking of the Broad Gauge Section.	From 20th December 1935 to this date.	"W"	For any distance .	0	4	0*	33	0	0	40	0	0	
		"X"	" "	0	5	0†	36	0	0	43	0	0	
		at OR.	" "	" "	" "	" "	38	0	0	45	0	0	
		}	}	}	101 to 125 miles	(a)	}	38	0	0	47	0	0
					126 to 150 "								
					151 to 200 "								
					201 to 225 "								
}	}	}	226 to 250 "	(b)	}	40	0	0	52	0	0		
			251 to 300 "										
			301 to 325 "										
}	}	}	226 to 250 "	(c)	}	45	0	0	57	0	0		
			251 to 300 "										
			301 to 325 "										

(a) Introduced with effect from 1st August 1937.

(b) " " " 10th October 1937.

(c) " " " 5th December 1937.

* Per 4-wheeled wagon of 200 sq. ft. or less floor area.

† Per 4-wheeled wagon of over 200 sq. ft. floor area.

NOTE.—In addition to the basic rates, the following terminal charges will be leviable.

From 1st February 1931 to 31st December 1935—for local booking only—

(1) In the case of booking to and from K. P. Docks and Jetties.

Per 4-or 6-wheeled vehicle Rs. 7 for both ends.

Per Bogie vehicle Rs. 14 for both ends.

(2) In the case of booking to and from other than Kidderpore Docks and Jetties.

Per 4-or 6-wheeled vehicle Rs. 6 for both ends.

Per Bogie vehicle Rs. 12 for both ends.

From 1st January 1936 in local booking—

(1) In the case of booking to and from K. P. Docks and Jetties.

Per 4-or 6-wheeled vehicle Rs. 8 for both ends.

Per Bogie vehicle Rs. 16 for both ends.

(2) In the case of booking to and from other than Kidderpore Docks and Jetties.

Per 4-or 6-wheeled vehicle Rs. 8 for both ends.

Per Bogie vehicle Rs. 16 for both ends.

(19) *Letter No. R. C. 1361, dated the 22nd March, 1938, from the Chief Traffic Manager, Great Indian Peninsula Railway, Bombay.*

YOUR LETTER NO. 23, DATED POONA, THE 6TH JANUARY, 1938.

Re: FREIGHT RATES FOR PAPER AND PAPER-PULP.

I beg to give below the information regarding freight rates for paper and paper-pulp over this railway under different heads as required in paragraph 1 of your letter referred to above:—

Paper N. O. C. in bales or bundles.

(i) *Ordinary rates.*—These are quoted at 2nd class, the basis of which is 42 per maund per mile. Terminal, short distance and transshipment charges are levied in addition as shown below:—

- (1) *Terminals.*—In local booking 8 pies per maund at forwarding station and 8 pies per maund at receiving station. Prior to 1st December, 1935, the terminals in local booking were as under:—
6 pies per maund at forwarding station, and
6 pies per maund at receiving station.

In through booking.—8 pies per maund either at the forwarding or at the receiving station.

- (2) *Short distance charges.*—3 pies per maund when the distance over this railway is less than 75 miles.

- (3) *Transshipment charges.*—2 pies per maund on account of transshipment at Dhond, Pachora, Murtazapur and Pulgaon Junctions.

(ii) *Schedule rates.*—Schedule rates have never been quoted over this railway for this traffic.

(iii) *Principal station-to-station rates.*—A statement showing station-to-station rates in force at present is enclosed. This statement also shows the changes made in the station-to-station rates since 1931-32.

(iv) *Wagon load or other concession rates.*—No wagon load or concession rates other than those referred to in item (iii) above have been quoted.

There have been no changes in the basis of ordinary rates since 1931-32.

As regards the Board's query as to what extent, if any, in actual practice this railway favours Indian made paper as compared with imported paper, I beg to say that we do not quote reduced rates specially for Indian paper. There are Paper Mills at Hadapsar near Poona on this railway and it has been our policy to extend where necessary, the station-to-station rates from Bombay to traffic from Hadapsar, thus placing indigenous and imported paper on the same footing

PAPER PULP.

This commodity is charged over this railway at 1st class rate (38 pie per maund per mile) plus terminals, etc., as shown above for paper N. O. C. in bales or bundles. No schedule or station-to-station rates have been quoted over this railway for this commodity since 1931-32. There has also been no change in the basis of ordinary rate chargeable for this traffic since 1931-32.

Four spare copies of this letter and its enclosure are attached as desired.

Statement showing Station-to-Station Rates for Paper N. O. C., in bales or bundles.

STATIONS.		Route.	RATES PER MAUND.						Existing.
From	To		1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	
Bombay	Saugor	..	Rs. A. P. 0 15 3 OR	Rs. A. P. 0 15 3 OR	Rs. A. P. 0 15 3 OR	Rs. A. P. 0 15 3 OR	Rs. A. P. 0 15 3 OR	Rs. A. P. 1 1 9 OR	Rs. A. P. 1 1 9 OR
Bombay	Via East Dock Jn. (for traffic to Titlaghur).	Via Nagpur.	..	..	..	..	0 14 3 ORW/300	0 14 3 ORW/300	0 14 3 ORW/300
Bombay	Via East Dock Jn. (for traffic to Kankinara).	Do.	..	..	..	..	0 14 3 ORW/300	0 14 3 ORW/300	0 14 3 ORW/300
Bombay	Via Naihati (for traffic to Titla- ghur and Kanki- nara).	Via Naini.	..	..	..	..	0 15 2 ORW/300	0 15 2 ORW/300	0 15 2 ORW/300
Bombay	Agra Cantonment, Belanganj and Bilochpura.	..	1 9 8 OR 1 0 1 ORW/300L	..	1 9 8 ORW/300L	1 9 8 ORW/300L	..	1 9 8 ORW/300L	..
Bombay	New Delhi	..	1 10 8 OR 1 1 1 ORW/300L	..	1 10 8 ORW/300L	1 10 8 ORW/300L	..	1 10 8 ORW/300L	..

From	To	Via	By	..	..	..	..	0 13 5 ORW/300L	0 13 5 ORW/300L	0 13 5 ORW/300L	0 13 5 ORW/300L	0 13 5 ORW/300L
Poona	Cawnpore	C. G. Shed (for traffic from Badshahnagar and Lucknow).	Bombay	..	..	..	..	1 8 6 RR	1 8 6 RR	1 8 6 RR	1 8 6 RR	1 8 6 RR
Poona	Cawnpore	C. G. Shed.	Cawnpore	..	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR
Poona	Agra Cantonment,	Belanganj and Bilochpura.	..	..	1 11 9 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR
Poona	Muttra	..	..	..	1 11 9 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR
Poona	Hazrat-Nizam-Uddin.	..	..	..	1 11 9 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR
Poona	New Delhi	..	..	..	1 11 9 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR
Poona	Delhi Safdarjang	..	..	..	1 11 9 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR
Hadapsar	Cawnpore	C. G. Shed.	Cawnpore	..	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR
Hadapsar	Agra Cantonment,	Belanganj and Bilochpura.	..	..	1 11 9 RR	1 11 9 RR	1 11 9 RR	1 8 6 RR	1 8 6 RR	1 11 9 RR	1 11 9 RR	1 11 9 RR

Via Cawnpore C. G. Shed (for traffic from Badshahnagar) (via Lucknow).	..	0 10 6 RR	0 10 6 RR	0 10 6 RR	0 10 6 RR	0 10 6 RR
Via Cawnpore C. G. Shed (for traffic from Badshahnagar) (via Lucknow).	..	0 12 7 RR	0 12 7 RR	0 12 7 RR	0 12 7 RR	0 12 7 RR
Via Naini . .	..	0 2 11 OR	0 2 11 OR	0 2 11 OR	0 2 11 OR	0 2 11 OR
Khandwa .	..	0 13 1 OR	0 13 1 OR	0 13 1 OR	0 13 1 OR	0 13 1 OR
Itarsi .	..	0 9 3 OR	0 9 3 OR	0 9 3 OR	0 9 3 OR	0 9 3 OR
Gadarwada .	..	0 6 9 OR	0 6 9 OR	0 6 9 OR	0 6 9 OR	0 6 9 OR
Narsinghpur .	..	0 6 0 OR	0 6 0 OR	0 6 0 OR	0 6 0 OR	0 6 0 OR
Saugor .	0 7 2 OR	0 7 2 OR	0 7 2 OR	0 7 2 OR	0 7 2 OR	0 7 2 OR
Damoh .	0 5 9 OR	0 5 9 OR	0 5 9 OR	0 5 9 OR	0 5 9 OR	0 5 9 OR
Bhopal .	0 11 3 OR	0 11 3 OR	0 11 3 OR	0 11 3 OR	0 11 3 OR	0 11 3 OR
Nasik Road	..	0 10 4 ORW/300	0 10 4 ORW/300	0 10 4 ORW/300	0 10 4 ORW/300	0 10 4 ORW/300
Bombay (Carnac Bridge or B.P.T. Depots).	Via Mutra. "	1 9 8 ORW/300L	1 9 8 ORW/300L	1 9 8 ORW/300L	1 9 8 ORW/300L	1 9 8 ORW/300L
New Delhi .	..	1 9 8 ORW/300L	1 9 8 ORW/300L	1 9 8 ORW/300L	1 9 8 ORW/300L	1 9 8 ORW/300L
Via New Delhi .	..	1 9 0 ORW/300L	1 9 0 ORW/300L	1 9 0 ORW/300L	1 9 0 ORW/300L	1 9 0 ORW/300L

Statement showing Station-to-Station Rates for Paper N. O. C., in vales or bundles—contd.

STATIONS.		Route.	RATES PER MAUND.						Existing.
From	To		1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	
Via East Dock Jn. (for traffic from Titlaghur, Kankinara and Naihati).	Poona	Via Nagpur.	Rs. A. P. ..	Rs. A. P. 1 4 5 ORW/300L	Rs. A. P. 1 4 5 ORW/300L	Rs. A. P. 1 4 5 ORW/300L	Rs. A. P. 1 4 5 ORW/300L	Rs. A. P. 1 4 5 ORW/300L	Rs. A. P. 1 4 5 ORW/300L
Via Asansol (for traffic from Ranigunj B. P. M. Siding).	Poona	Via Nagpur.	..	1 5 6 ORW/300L	1 5 6 ORW/300L	1 5 6 ORW/300L	1 5 6 ORW/300L	1 5 6 ORW/300L	1 5 6 ORW/300L
Via Naini (for traffic from Naihati).	Via Ujjain for traffic to Ahmedabad, Asarva or Kankaria.	..	..	..	..	0 8 6 ORW/300L	0 8 6 ORW/300L	0 8 6 ORW/300L	0 8 6 ORW/300L
Ranigunj B. P. M. Siding.	Poona	Via Naini.	..	1 6 6 ORW/300L	1 6 6 ORW/300L	1 6 6 ORW/300L	1 6 6 ORW/300L	1 6 6 ORW/300L	1 6 6 ORW/300L
Via New Delhi	Bombay (Carnac Bridge or B.P.F. Ry. Stations).	Via Muttra.	..	..	..	..	..	1 9 0 ORW/300L	1 9 0 ORW/300L
Poona	Via East Dock Jn.	Via Nagpur.	1 3 0 ORW/300L	1 3 0 ORW/300L	..	..	..	..	..
Poona	Via Naihati	Via Naini.	1 3 11 ORW/300L	1 3 11 ORW/300L	1 3 11 ORW/300L	..	..	..	..

Statement showing Station-to-Station Rates for Paper N. O. C., in bales or bundles—concl.

STATIONS.		Route.	RATES PER MAUND.						Existing.
From	To		1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	
Via Naihati .	Jubbulpore .	Via Naini.	Rs. A. P. 0 10 8 OR 0 8 11 ORW/300	Rs. A. P. 0 10 8 OR 0 8 11 ORW/300	Rs. A. P. 0 10 8 OR 0 8 11 ORW/300	Rs. A. P. 0 10 8 OR 0 8 11 ORW/300	Rs. A. P. 0 10 8 OR 0 8 11 ORW/300	Rs. A. P. 0 10 8 OR 0 8 11 ORW/300	..
Raniganj B. P. M. Siding.	Jubbulpore .	"	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	..
	Via Jubbulpore .	"	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	0 7 8 ORW/300	..
	Via Kaini Mur- wara.	"	0 6 11 ORW/300	..	..	..	..	..	..
Bombay .	Via Naini (for tra- fic to Allahabad).	..	1 2 10 ORW/300L	..	..	..	..	..	..
Bombay .	Cawnpore C. G. Shed.	..	1 1 10 ORW/300L	..	..	..	..	..	..
Bombay .	Via Cawnpore C. G. Shed.	..	1 1 10 ORW/300L	..	..	..	..	..	..
Bombay .	Gwalior .	..	1 0 0 ORW/300L	1 0 0 ORW/300L	1 0 0 ORW/300L	..	..	..	..

14. Circular letter No. 22, dated the 6th January, 1938, from the Tariff Board, to manufacturers, Importers and Traders.

With reference to the Government of India, Department of Commerce, Resolution No. 202-T. (1)/36, dated the 11th December, 1937, asking the Tariff Board to enquire into the desirability of continuing measures for the protection of the Bamboo Paper and Paper-pulp Industries after 31st March, 1939, when the present protective duties expire, I am directed to enclose a set of questionnaires issued to (a) Manufacturers, (b) Importers and Traders and (c) Newspapers, printers and publishers, and to request you to fill up any questions in which you are interested. The Board would be grateful if you could send your replies (with four spare copies) at an early date and in any case not later than the 31st January, 1938, addressed to the Secretary, Tariff Board, 1, Council House Street, Calcutta.

2. Since you had probably collected a good deal of information in connection with the classification of paper for tariff purposes which will be of assistance in answering the present questionnaires it is hoped that you will be able to send your replies within the date indicated. You will observe that the questions are on lines similar to the questions issued by the Tariff Board in 1931. A few modifications have been made and some additional questions added. For convenience of reference the questions are, as far as possible, numbered in the same way as in 1931. Apart from new questions what the Board require in the main is that information supplied during the Tariff Board enquiry of 1931 and 1936 should be brought up to date.

3. The Board propose to begin the taking of oral evidence early in February.

15. Calcutta Paper Import Association, Calcutta.

A.—WRITTEN.

- (1) *Letter No. 1098, dated the 24th December, 1937, from the Tariff Board, to the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

I am directed to invite a reference to the Press Communiqué, dated the 23rd December, 1937, issued by the Tariff Board, in connection with the question of the continuance of protection to the Paper and Paper-pulp Industries in India after the 31st March, 1939. A copy of the communiqué is enclosed herewith for your information.

- (2) *Letter dated the 24th December, 1937, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

I thank you for your letter of the 24th instant, No. 1098.

I notice that representations are desired by January the 25th, this affords very little time to secure the necessary data and I shall be glad to know whether it is not possible to extend this date.

The opportunity is taken to draw your attention to the suggestions made by this Association in earlier enquiries, namely that the representations of the supporters and opponents of protection should be available to each other in advance of the enquiry so that each side may know what arguments it may have to meet and secondly that the Board should invite a representative of each side to sit with them for the purpose of cross examination only.

- (3) *Letter No. 56, dated the 10th January, 1938, from the Tariff Board, to the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

I am directed to send herewith a copy of this office letter No. 55, dated the 10th January, 1938, addressed to the Secretary, Indian Paper-makers' Association and to ask whether you agree that a copy of your representation may be sent to the Indian Paper-makers' Association.

Enclosure.

Letter No. 55, dated the 10th January, 1938, from the Tariff Board, to the Indian Paper-makers' Association, Calcutta.

In continuation of this office letter No. 22, dated the 6th January, 1938, I am directed to say that the Tariff Board propose the following programme:—

- (1) Inspect Titaghur Paper Mills and the India Paper-pulp Company's Mill between the 26th and 28th January, and the Bengal Paper Mill Company's Mill on January 31st, and
- (2) begin the examination of witnesses in the beginning of February, taking individual mills first, then the Paper-makers' Association and lastly the Paper Import Association and Paper Traders' Association and such other associations as the Board may decide to examine.

2. If the Paper-makers' Association propose to claim continuance of protection and of the existing surcharge, it is suggested that the general case be presented by the Association and that individual mills should make their own representations on particular points. No doubt, as in the last enquiry, the Calcutta Paper Import Association and the Calcutta Paper Traders' Association will desire to know what is the case presented by the Indian Paper-makers' Association and *vice versa*, and I am to ask whether you have any objection to a copy of your representation being sent to the two Associations mentioned.

3. The Board propose to examine the representatives of the Upper India Couper Paper Mills at Lucknow after concluding their examination in Calcutta. Representatives of the Deccan Paper Mills can be examined in Bombay later.

(4) Letter dated the 14th January, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.

I thank you for your letter of the 10th January, No. 56, together with copy of letter No. 55.

My Association would have no objection to a copy of its representation being furnished to the Indian Paper-makers' Association.

I am to point out, however, that if the Association is favoured with a copy of the representation of the Paper Mills the time available for proper examination is very inadequate. Whilst the Association will do what lies in its power, a complete criticism of the data which may be advanced in favour of a continuance of protection by the Indian Paper Mills can only be dealt with satisfactorily by experts in the manufacture of paper.

(5) Letter dated the 4th February, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.

Surcharge of protective duty on paper.

I have the honour to refer to the questionnaire issued to Paper Importers Question 20.

2. As the Board is empowered to make recommendations in advance of its general report, this item is dealt with separately.

3. My members consider that they cannot add very much to the representations made to the Department of Commerce on 10th July, 1936, and I therefore enclose six copies of that letter.

4. The surcharge on protective duties was never at any time justified, as the enlarged contribution to revenue was already provided in the increased duties. Even if, however, it was possible to advance plausible arguments in favour of the surcharge, it should not have been imposed without a corresponding excise.

The effect was to confer a large bonus on the Indian Paper Mills making the protected classes of paper, at a time when the rest of the people of India were being taxed additionally to provide against a deficit in the budget.

5. My members have been unable to fathom the reason for this, and feel that the withdrawal of the surcharge should not only be put into effect immediately, but that such action is long over due.

Enclosure.

Letter dated the 10th July, 1936, from the Calcutta Paper Import Association, to the Secretary to the Government of India, Department of Commerce, Simla.

In Government Resolution No. 202-T. (3)/35 of the 23rd May, 1936, it is stated that the Government of India proposes to undertake forthwith a departmental enquiry as to whether the surcharge on the protective duty on paper is any longer justifiable. This Association desires to submit its representation thereon.

2. This Association has always contended that the original grant of protection of this industry was not justifiable as it does not comply with the conditions laid down by the Legislative Assembly as essential to protection and the Association claims that its statements and opinions have been completely vindicated by the progress of events. The Tariff Board has, however, found to the contrary and reference is only made to this point in these presents as the Association has had no reason to alter its views, and, if the original grant was not justified, it naturally follows that there would be even less grounds for an increase in the protective duty by way of surcharge.

3. In respect to the surcharge itself, the Government Resolution again assumes that there existed a justification for its imposition in 1931. This is entirely contrary to fact as no possible justification can be advanced—even the financial emergencies of the country—for the surcharge, in the paper or in fact in any protected industry. It cannot be denied that, in the emergency referred to, it was the intention of Government, in its efforts to secure the revenue so urgently required, that the burden should fall as far as possible equally on all persons in proportion to their capacity to pay. The consumers in the protected industries, however, were already contributing more than their quota through extraordinary taxes at artificially controlled rates and there was every reason both in logic and justice, for their exemption from further import. Government has recognised this fact by the removal of the surcharge in all protected industries except that of paper.

4. The effect of this surcharge was two-fold. In the first place by maintaining local rates at a still more artificial level, it ensured such profits that the Indian Mills, instead of contributing their share of revenue to the Government in its emergency, were actually able to profit by the country's financial distress and in the second place it retarded, for the period of its imposition, the readjustment of the prices of paper in India to those more in accordance with world parity. It may briefly be stated that it delayed deflation. That deflation is necessary and inevitable need not be argued.

5. The effect of this second point on protection was placed before the Tariff Board in its enquiry of 1931, when this Association pointed out that paper—superior to that manufactured by the Indian Mills—was produced in the United Kingdom from the identical pulp used by the Indian Mills at incomparably lower prices. This fact alone destroyed in one sentence the whole case for protection as, if the Mills figures of costs were accurate (and as they had prepared themselves, there was no reason to doubt them) they constituted a complete admission that they could never hope to become self-supporting.

The position was accurately stated and the point was irrefutable. The course the Tariff Board adopted, was to meet the situation by a most

extraordinary example of special pleading in which the confession was made that the Board had made no attempt to verify the figures which had been placed before it by this Association. See page 90, Tariff Board Report, 1931.

6. This condition applies even more forcibly under the surcharge. Although the question of protection itself is not under consideration, the extension of protection, by the imposition of the surcharge, is, and this reference is necessary, as European prices for papers in the grades manufactured by the Indian Mills must affect the consideration as to whether the surtax should be continued, and the question of competition from abroad is the only point which can be advanced for its retention.

7. The real question for consideration, therefore, is not only as to whether the surtax is justifiable but as to whether the rates charged by the local mills are justifiable—an enquiry which if pressed to completion, would mean the re-opening of the whole question of protection. Without going to that extreme, there are certain facts which are ascertainable. For example, it is axiomatic in all countries where protection obtains and where the indigenous supply is not equal to the demand, that the local price is based not so much on mill cost as at the price at which similar goods can be imported. Thus it will be realised that the Indian Mills present prices are now three piers per pound higher than they would have been had the surcharge not been imposed.

8. In order that the experience of 1931 may not be repeated the Association has secured from a Mill in England a statement of cost, conversion and selling prices which include full depreciation, in addition to which the company concerned has declared profits on its shares for the last ten years.

Owing to the fact that the Indian trade is not the only outlet for this firms manufactures, the Association has been requested to refrain from disclosing publicly the name of the mill. If desired, however, this name will be furnished in confidence to the Government of India and the figures are open to verification by the India Office in London.

The statement of costs is as follows:—

	£	s.	d.
Cost of pulp	8	4	7
Cost of conversion including loading	10	12	10
Cost per ton of finished paper	16	9	3

It will be seen that the finished paper costs £16-9-3 per ton. It is sold at £18-16-10 per ton. It should be noted that this price is for a paper which is distinctly superior to the wood free printings manufactured in India. The moment is opportune to state that, although the Indian Mills have improved their paper to a considerable extent, there is no printer in India who would not select the British paper if given the choice. This, of course, excludes the purely patriotic motive but applies even to the paper made in India from imported wood-pulp apart from the pulps which are made in India from indigenous materials.

9. It will be seen from these figures that superior paper is sold in England for Rs. 251 per ton against the local price approved by the Tariff Board of Rs. 464 per ton. The consumer is therefore at a disadvantage of 85 per cent. as compared with the English printer. The cost of this superior paper c.i.f. is £23-10 (Rs. 313) so that the amount of protection at present afforded to the Industry is 50 per cent. against the 25 per cent. originally calculated by the Tariff Board as being necessary. When, however, continental papers are taken into consideration, the difference is even more marked. Scandinavian papers may be had at £18-10 per ton and German as low as £16-15. The German, however, depends on the so-called barter system and it is impossible to say how long it may be relied on.

10. It may be argued European prices have fallen to such an extent that the Tariff Board would recommend under such circumstances as increase in the amount of protection they considered sufficient at the time it was granted. This may be logic but it promises protection at any cost. That, however, is not the policy of the Government of India as outlined in and approved by the Assembly. The conditions laid down as essential for an industry to secure protection are strictly defined and, on that account, Government has itself described its policy as one of "discriminating protection". It can safely be asserted that far from granting, in 1925, a larger measure of protection had conditions been similar to those at present, obtaining, the Board would have been compelled to reject the claim for protection on the grounds that the paper industry did not satisfy the primary conditions.

11. In making this statement it is assumed that the cost figures supplied by the Indian Mills are accurate and, if a claim for the retention of the surcharge is made on the basis of more severe competition, it presupposes the fact that local costs have not fallen in line with world conditions.

12. The Indian Paper Industry is therefore in the position that it must either admit its costs have not fallen in accordance with world conditions and thereby deny its claim to any protection whatever or, if its costs have fallen, it must admit that the surcharge is not necessary for its continued existence.

13. The attention of Government is drawn to the fact that the depreciation allowed by the Tariff Board was based on an estimate made in 1925—not of the actual cost of the mills—but of the cost of replacement at the then current prices. The same conditions of cost would not apply at this rate and this figure should be revised to meet present day conditions.

14. It is also pointed out that in 1925, the Mills laid claim to a price that would permit them to declare a dividend of 10 per cent. Subsequently this was interpreted to mean 10 per cent. on the original share capital thus making the public responsible for the whole of any capital losses, from whatever cause, during the preceding years. Whatever arguments may have been advanced in favour of this dividend in 1925, they no longer hold good. At that time the dividend on gilt-edged securities was in the neighbourhood of 5 per cent. and thus a 10 per cent. dividend in the case of an industrial concern may have been looked for. At present under similar conditions, there is no reason why protection should be granted to secure more than 5 per cent. dividends. Briefly it is urged that in any industry, which by means of protection at the expense of the general public, has been granted a *quasi-monopoly* as in the case of the paper industry, the degree of protection or profit shall be calculated so as to secure a dividend which would maintain the shares at par, thus securing the industry again loss but also preventing appreciation of capital. It should also be prescribed that, where debentures are issued, protection shall be calculated so as to cover only depreciation of the relative property and not sinking fund as well.

15. Assuming that, on account of foreign competition, if the surcharge is removed, the local mills price will fall by one pice per pound and that the tonnage of the papers affected remain the same as the enquiry of 1931 (31,000 tons) the total cost to the Indian Mills of the abolition of the surcharge will be Rs. 10,85,000. It may be pointed out that this indicates a present by the Government of India to the mills over the past five years of no less than fifty-four lakhs of public money.

16. In making comparisons with European prices, it should not be overlooked that, prior to 1914 the Indian Mills were in competition with much lower prices. The import price of a British wood-free printing paper at that period was in the region of £17-10 per ton c.i.f. or Rs. 262-8 at the rate of exchange of $\frac{1}{4}$ per rupee. But the duty payable was only $\frac{7}{8}$ per cent. so that with landing charges the cost would be about Rs. 287 per ton. It is agreed that the mills were not in an especially prosperous condition but at the same time it required a comparatively small margin to secure a

profitable position. It will be noticed from these figures that the "spread" now stated to be required by the mills is nearly equal to the whole of the former selling price of the complete paper. Also that the "spread" alone is considerably more than the selling price of the finished paper in England.

17. The arguments of worm out plant with its resulting inefficiency should no longer apply as the Mills have had every opportunity and ample funds provided at the public expense, to bring their equipment up to a high state of efficiency. The answer may be found in two directions. The first, that the establishment of a virtual monopoly has rendered unnecessary the economy in operation and overheads that result from open competition and the second (if the "spread" is justified) that the claims of the industry have been ill-founded and that it cannot become self-supporting.

18. The recommendations of the Tariff Board in 1925, appear to have been based on the presumption that the then current prices for European papers were permanent and were not likely to experience much reduction. Events—not only in the paper market—have falsified this anticipation and there has been a world wide fall in the price of practically all commodities. Only in industries belstered by artificial means has this reduction not taken place and the explanation is not far to seek.

19. With the *per capita* purchasing power of India so very low in comparison to Europe and with a population that is 95 per cent. illiterate, education is probably a greater necessity than in any other country, yet notwithstanding, the Government of India has maintained one of the essential vehicles for the wide dissemination of learning at prices varying from 50 to 100 per cent. higher than those obtaining in Europe.

20. The attached tables provide a comparison between the various sources of wood-free papers with their laid down costs, calculating duty at both one anna and one anna three pices per pound and they will afford ample support for this Associations contention that a retention of the surcharge is wholly unjustifiable.

21. As it may be said that the figures adduced by this Association prove the necessity of continued protection including the surcharge, the opportunity is taken to point out that this is not the case. What the figures do show is:—

- (a) that if present prices are maintained there is no prospect of any expansion of the Indian Paper Industry.
- (b) that the artificial prices obtaining in India under protection have delayed the readjustment to existing conditions which might have assisted in an expansion of the industry.
- (c) that the figures of cost of pulp and conversion as well as the allowances for depreciation, overhead, etc., allowed by the Tariff Board in its 1931 report are fantastic when viewed under the light of present conditions.
- (d) that if mill costs have been reduced to correspond in any reasonable degree with European papers, the surcharge is no longer necessary or justified.
- (e) that if costs have not fallen in proportion, the mills must necessarily forfeit their claim to protection.
- (f) On the contrary, if the costs of the Indian Mills have not fallen in proportion to European rates, the comparisons show that wood-free papers as well as Newsprint have fallen into the category of those which would require an "outrageous" degree of protection to exclude.

It is therefore submitted that not only can there be no possible justification for the continuance of the surcharge but that the whole question of protection for paper demands and immediate re-investigation.

Data received from British Paper Mill.

	Per ton.	Indian Mill Prices see T. B. Report..	
	£ s. d.	Rs.	Rs.
Average cost of pulp	*8 4 7	110	179
Cost of converting to paper including overhead and full depreciation	*10 12 10	142	198
Cost price per ton of finished paper	*16 9 3	219	...
Cost of conversion per ton of finished paper . . . . .	...	109	...
Profit . . . . .	...	32	64
Selling price to wholesale house .	18 16 10	251	...
Profit per ton of finished paper .	...	32	...

It will be noted that the cost of conversion, depreciation, overhead and profit is little more than that allowed by the Tariff Board for depreciation, overhead and profit alone for the Indian Mills. (See page 90, Tariff Board Report, 1931), whilst at the same time the cost of finished paper excluding these items is Rs. 327 per ton against Rs. 219 for the British make.

	Base Price.	Duty.		Landing Charges.	Landed Cost.	Percentage of protection..
	£ s. d.	Rs.	Rs.	Rs.	Rs.	
German	16 15 0	221	140	6	367	66
	c.i.f.	221	175	6	402	80
Scandinavian	18 10 0	247	140	6	393	60
	c.i.f.	247	175	6	428	70
† British	18 16 10	251	140	...	391	55
	d/d London	251	175	...	426	70
British	23 10 0	313	140	6	459	47
	c.i.f.	313	175	6	494	58

Comparative Costs taken from 1931 Tariff Board Reports.

	India Paper Pulp.	Titaghur Paper Mills.	Bengal Paper Mills.
	Rs.	Rs.	Rs.
Cost of Pulp	196	183	157
Conversion, Depreciation and Overhead, etc.	202	206	185
Profit	64	64	64
	462	453	406
Selling price in England of superior paper . . .			251
Selling price in England of similar paper c.i.f. .			313

* The difference between the sum of the first two items and the third is due to the fact that loading materials are added to the pulp—this increases the tonnage and, being included in the cost of conversion, reduced the average cost per ton of paper accordingly.

† This figure is introduced to show the disadvantage at which the Indian Printer is compared with the British Printer.

(6) *Letter dated the 8th February, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

I have the honour to send herewith six copies of the Association's reply to the relative Questionnaire.

REPLY TO QUESTIONNAIRE BY THE CALCUTTA PAPER IMPORT ASSOCIATION,
CALCUTTA.

1. In Annexure "A" the prices of Wood-free Printings, Cream Laid, Cartridge and Bond Paper are given. These figures represent the prices at which one of the principal paper merchants has actually imported in the years in question.

2. It is considered that the Indian Mills can furnish the most reliable information on this point. Samples of imported papers in the protected classes are attached. (Annexure "B".)

3. Under conditions of normal business—that is neither depression nor boom—it is considered that imported papers command a slightly higher price than the indigenous. This is probably accounted for basing the prices of indigenous papers under protection, not on cost of production but on the cost of importing a similar article. There is also the fact that the imported article is superior in quality and that there is a certain demand for papers of a standard that has not yet been reached by the Indian Mills. In addition the local paper is quickly replaceable when sold and competition is therefore keener whilst in the case of imported papers the necessity of tying up capital in stocks and duty, justifies a larger profit than can be secured on Indian made paper.

4. A selection of Railway Freights on imported papers is attached. (Annexure "C".)

It is understood that the Indian Mills enjoy concession rates on any consignment whether large or small despatched direct from the Mills and this information will doubtless be provided by them.

5. The prices at which European Mills sell are undoubtedly dictated by the law of supply and demand—a law which, in times of depression, may be influenced in respect to supply by working short time. It is probable that, during the period leading up to 1936, foreign mills were selling their output at figures which left little if any profit. There is no reason to believe that prices quoted for the Indian Market are lower than for any other export market.

6. Assuming that this question refers to competition between Indian and imported papers, the reply would be that competition is keenest in those ports which are most remote from the Indian Mills.

7. It is felt that the Indian Mills statements will furnish the most accurate reply to this question.

8. It is understood that the Indian Paper-pulp Co. sell their paper at one and a half pices per pound less than the other mills but that the Titaghur and Bengal Paper Mills make no difference in price between bamboo and grass papers of their own manufacture. Whether this is due to the fact that the process of pulp manufacture followed by the India Paper-pulp Co. is not as satisfactory as that in vogue at the other two mills, or for some other reason, is a point on which the Association has no information.

9. The Association has no definite information on this point.

10. A considerable improvement in quality was noted by the Tariff Board in 1931. This was probably due to a gradual return to pre-war standards which had not been achieved in 1925 and possibly to improved equipment, the purchase of which would have been made possible by the enhanced profits secured under protection. With the exception of Super Calendered Printing (known also as Ivory Finish and Imitation Art) it is considered that no special advance has been made. In the case of Super Calendered Printing

a considerably higher standard has been reached by some of the mills although even that falls short of the European qualities.

11. The Association wishes to draw attention to the fact that where the actual weight exceeds the nominal weight, duty is assessed on scale weight. This is probably strictly legal but does not take cognisance of the trade custom governing the weight that may be charged. The custom is that where the scale weight is below the ordered weight, scale weight is chargeable to the Importer but where the scale weight exceeds the ordered weight, the ordered weight only is chargeable. This is due to the fact that the importer cannot secure a higher price to cover the cost of the excess weight. It has been said that the duty is probably legal. In fact, the scale weight includes the weight of the wrappers according to trade custom so that duty is also levied on the weight of the wrappers. The Association requests that the Board may recommend that where the scale weight exceeds the nominal weight within a certain limit—say 5 per cent.—duty should be levied on the nominal weight.

As regards non-protected papers, the Association desires to press for uniform administration of the Sea Customs Act whereby the same principle in assessment shall apply at all ports of entry. This refers especially to "Market Values" and the Association would recommend that this object be achieved by enlarging the list of items in the Tariff Schedule of include the majority of the classes of paper imported in sufficient quantity to justify a separate entry. In such a case all items not included would enter at invoice value. The Association has drawn attention to the list of market values submitted at intervals to the Collector of Customs, Calcutta, by the Calcutta Paper Dealers' Association and suggests that this may be taken as a basis for consideration. Attention, is, however, drawn to the fact that the rates quoted are local selling rates including duty, whereas Tariff Values should be specified after deduction of duty.

It is also urged that the Act and all rulings thereunder should be specific and leave no room for different interpretations at different ports. Reference is made to an instance where (in respect to an importation of cartridge paper, in which there is a specified dividing line between Cartridge for printing and Cartridge for drawing purposes) a Customs officer ruled that the paper was to be classified as a Printing paper because it was not imported in the size specified in the Government of India's instructions, although that size was included as a guide to substance only.

It is also urged that where a size is given it should specify actual dimensions and number of sheets per ream and not a name, as the same name covers varying dimensions at different ports. It would simplify matters if the system of specifying the number of grammes per square metre were adopted as that system offers no room for dispute or misinterpretation and is a system familiar to all paper importers.

The Association would also recommend that qualities be described specifically and correctly. It has at each enquiry questioned the meaning of the word "Chrome" in the Tariff Schedule. As far as the Association knows there is no paper known by this name and it assumes that Chrome is implied. If so, it should be so altered.

12. It is understood that very few cases now occur of disputes in relation to mechanical contents and it would therefore appear that the present system is satisfactory. As regards sizing the Association is of opinion that no method has yet been devised which is sufficiently accurate to offer any advantage over the pen and ink test. This question has only a real application in respect to papers which, if hard sized, will come under the protective class. The Association deals with this matter in its separate representation but takes the opportunity here of drawing attention to the anomalies that may occur resulting in the penalisation of paper which it is not the intention of the Government of India to protect.

The Association also considers that the differentiation between Glazed and Unglazed papers should be more precise and would propose that the word

"Glazed" in respect to mechanical papers should be restricted to those which have been calendered as a separate process from actual manufacture.

13. It would appear that the duty on wood-pulp has partly achieved its object by encouraging the Indian Mills to produce Bamboo Pulp but as the tonnage imported is still as great as in 1925, it would also seem that the duty is not sufficient to compel the use of Bamboo Pulp exclusively in place of imported wood-pulp. This is in spite of the fact that for some years the duty has been Rs. 56-4 per ton and that, in their original representations twelve years ago, the mills stated that they could convert to Bamboo Pulp in the space of two years. It would appear that this can only be accomplished by a substantial increase in the duty on wood-pulp or by a strict limitation of the quantity they may import annually. The Association has no information as to the effect of variation in the price of imported wood-pulp.

14. It is not possible to forecast the future trend of prices either in pulp or paper with any degree of accuracy.

15. In the opinion of this Association, the Mills at present operating or under construction are more than sufficient to cater for the whole of India's existing requirements for Indian made paper. There is no market whatever for pulp—*per se*—for the manufacture of paper, as each mill manufactures it own.

This, of course, does not take into account the 10,000 tons of wood-pulp imported at present as it is assumed that each mill will increase its own output accordingly as imports are reduced. The Association has no information as to other commodities made from paper-pulp. As regards foreign markets unless the cost of production in India has been greatly reduced—and it should be noted that it required a substantial duty to bring about this local production—it would seem that nothing short of a severe famine in wood-pulp would permit the export of pulp from India. These remarks answer also that portion of the question dealing with the establishment of pulp mills.

16. The attached page from "Indian Print and Paper" of December, 1936, inserted by the Indian Paper-makers' Association gives the required information.

17. The effect of Protection has been to maintain prices in India at a very artificial standard in respect to world parity and as paper probably ranks immediately after the prime necessities, food, shelter and clothing, it follows that no industry has remained unaffected by the protective duties on paper. The printing industry, for which paper is the raw material, is naturally the most affected. This industry both in respect to capital invested and the number it employs is far larger than the paper industry.

18. The views of this Association—views which it considers have been established as correct during the past 12 years—have always been that protection for the paper industry was at no time justified. It is therefore emphatically of the opinion that the continuance is equally unjustified. It is considered by the Association to be beyond argument that, if the figures advanced by the Indian Paper Mills in 1931 are accurate (current figures are not available), there is no hope whatever of the industry becoming self-supporting and that, thereby, the mills fail to comply with the provision laid down by the Legislative Assembly. The geographic position accompanied by the revenue duty in themselves afford much greater protection than any industry with ample supplies of its primary needs such as grass, bamboo and coal available, should require.

If, however, the Board decides that some measure of protection should be continued, this Association submits that it should not exceed Rs. 90 per ton. The industry has now had 12 years in which to establish the manufacture of Bamboo Pulp and any claim for a duty higher than that indicated is in admission that the industry cannot become self-supporting within a visible period.

This recommendation applies to wood-free papers only. Since protection was introduced, however, the principle, has been extended to a class of paper which, it is the contention of this Association, was not contemplated in the original findings. Reference is made to mechanical writings and so called hard sized mechanical printings. The principle which moved the original board to exclude mechanical printings from the scheme of protection applies with equal force to mechanical writings and there is no valid reason why they should be included. If, however, the Board again decides to afford them protection, it should be on an entirely different scale and should be based on an amount not exceeding a certain percentage on the landed cost of the imported article.

This principle is suggested on the basis of the necessity of the industry becoming self-supporting within a reasonable period. That period has actually already been passed and the mills should by this time, be able to dispense with protection if their claims have been founded on fact.

19. The Association considers that the Classifications proposed by the Tariff Board in 1936 are reasonably satisfactory and subject to the amendments proposed in reply to Question 11, would recommend their continuance.

20. This matter is dealt with in a separate memorandum.

Enclosure I.

ANNEXURE 'A'

	PRICE.		Duty.	Land- ing.	Lan- ded Cost.
	£	s.				Rs.
<i>British Woodfree Printing.</i>					
1931	25	0	333	Rs. 140	Rs. 7 480
1932	24	0	320	175	7 502
1933	21	0	280	175	7 462
1934	21	0	280	175	7 462
1935	20	10	273	175	7 455
1936	21	0	280	175	7 462
1937	22	0	293	175	7 475
Dec. 1937	29	0	387	175	7 569
<i>Cream Laid.</i>					
1931	25	0	333	140	7 480
1934	20	10	273	175	7 455
1935	19	0	253	175	7 435
1936	20	10	273	175	7 455
1937	27	5	363	175	7 545
<i>Cartridge.</i>					
1931	27	10	367	140	7 514
1932	24	10	327	175	7 509
1934	22	10	300	175	7 482
1935	22	0	293	175	7 475
1936	20	0	267	175	7 449
1937	26	0	347	175	7 529
<i>Bond Paper.</i>					
1931	33	0	440	140	7 587
1932	24	0	320	175	7 502
1934	23	0	307	175	7 482
1935	23	0	307	175	7 482
1936	23	0	307	175	7 482
1937	36	0	480	175	7 672

Enclosure II.

The Paper Trade of India and Burma, 1935-36.

Potential Annual capacity of new paper mills under erection or projected is.

38,000 TONS OF PROTECTED QUALITIES.

What this means:—

Consumption of Paper in India and Burma—

	Tons.
Protected Qualities	54,934
Unprotected Qualities	134,967
	<hr/> 189,901
After deducting the following Non-Protected Imported Qualities—	
(1) Old Newspapers	57,583
(2) Newsprint, Cheap Printings, Packings and Wrappings made from mechanical Wood-pulp and Kraft-pulp (raw materials not economically available in India) and numerous trade specialities and fancy papers	72,122
Production of Indian Mills	48,100
	Tons.
Total tonnage of protected imported paper	12,096
Less estimated quantity of high-class special paper uneconomical to make locally	6,000
	<hr/> 6,096
	<hr/> 183,901
Balance available for Local Mills Expansion	6,000
Threatened Over-production by New Mills	32,000
	<hr/> 38,000

(Import figures taken from official Seaborne Trade Statistics.)

INDIAN PAPER-MAKERS' ASSOCIATION

Calcutta, November 10th, 1936.

(7) *Memorandum dated the 8th February, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

This Association has the honour to refer to your letter No. 22 of the 6th January enclosing Questionnaire in connection with your enquiry into the question of the continuance or otherwise of Protection for the Bamboo Paper and Paper-pulp Industries.

2. Six copies of the replies of this Association to the relative Questionnaire have already been sent to you as well as a separate memorandum in reply to Question 20 dealing with the surcharge on the protective duty.

3. The purpose of this memorandum is partly to enlarge on subjects touched upon in the Questionnaire and partly to submit representations on matters not dealt with therein.

4. In so doing it is necessary to effect a certain amount of repetition of arguments that the Association has advanced in previous enquiries but this is only done in so far as is necessary to secure a comprehensive view of the situation.

During the ten years prior to 1914 the rate of duty rose from $2\frac{1}{2}$ per cent. to $7\frac{1}{2}$ per cent. The price of a Wood-free Printing Paper at that time was in the region of £17-10 per ton (Rs. 262-8 at $\frac{1}{4}$) c.i.f. so that the landed cost did not exceed Rs. 289 per ton. A Cream Laid Writing containing a percentage of *Esparto* was available at £19-16-8 per ton giving a maximum laid down cost of Rs. 297-8. During this period the Tariff Board—in 1925—found that the Indian Mills then in existence were “barely holding their own” but admittedly they were holding their own even if by a small margin. During the years 1914 to 1918 the situation changed. Competition became a thing of the past and every consideration was subjected to that of output whilst prices were very much whatever the mills liked to ask. This position continued into the post-war boom and when the slump occurred in 1920 the principal mills found themselves in the position that their product had deteriorated in quality and that their machinery—already ancient—was not in a condition which would permit of the economic operation which was essential if they were to meet competition. The duty on imported paper, however, had been increased first to 11 per cent. and later to 15 per cent., at which figure it stood when the Legislative Assembly passed its Resolutions offering protection to deserving industries. In 1918 a mill for the manufacture of Bamboo-pulp was built at Naihati. It is understood that the original purpose of this mill was to manufacture pulp only and supply it to the existing mills—doubtless in replacement of the wood-pulp that they were importing—but it is significant that the paper mills had at that time so little faith in Bamboo that they rejected the offer with the result that the Bamboo-pulp Mill decided to manufacture the pulp into paper in its own mill.

5. Much has been said of the comparative costs of erecting a mill in India and in England. It is agreed that the machinery will cost more—to the extent of the freight and increased erection charges—but the argument as a whole is a complete and absolute fallacy.

This extra cost will be partly compensated by the lower cost of buildings in India but the fact which demolishes the argument completely is that the freight and packing on the paper which competes with the Indian Mill product enables the mill to realise a price sufficiently high to repay the extra cost of the machinery within a period of one or two years.

6. It is now history that the Tariff Board in 1925 found that the mills using grass were not entitled to protection and that their passing would not constitute a national calamity—in fact the failure of one might even be an advantage. The Board decided, however, that the prospect of Bamboo-pulp both for the manufacture of paper and for sale as pulp for export, was sufficiently encouraging to justify an opportunity being given for further practical research and experiment.

7. The sole source for this conclusion was the existence of the India Paper Pulp Company. At the 1925 enquiry fantastic claims were made for Bamboo-pulp both as to its suitability for the manufacture of all kinds of paper and also for the creation of a new export industry in pulp. None of these claims has been justified by the events. Paper made by the India Paper-pulp Company commands a lower price than that made by the Titaghur and Bengal Mills whilst the export market for pulp is an interesting but apparently unpractical dream.

8. At the original enquiry the claim submitted on behalf of the Mills was for a duty of 25 per cent.—the current revenue duty being 15 per cent. It was subsequently claimed that it was the intention of the mills that the 25 per cent. asked for should be calculated, not on the cost of competitive papers, but on the current Tariff Value of four annas per pound. It will be seen that (the cost of packing and freight on imported paper in 1925 being some £3 to £4 per ton) this claim amounted to a requirement that

they be put into a position where they might sell their output at a price at least 50 per cent. higher than the mill price of superior paper made in Europe. This was accompanied by an assurance that in spite of this immediate necessity, they would be in a position to become self-supporting—that is to do without protection—within a reasonable period.

9. These demands were met in full and had one good effect. The mills using grass, realising that their position might be jeopardised when the matter again came up for consideration, turned their attention to Bamboo—probably with an eye to an extension of protection—and succeeded in producing a pulp which is apparently better than that made by the India Pulp and Paper Company. It proved, however, that the two years stated at the enquiry as sufficient time for the transfer, was a complete misstatement as, at the end of seven years, more than half the total production in India was from imported wood pulp. Even at this stage—12 years after protection was granted over 25 per cent. (10,000 tons) of the total production of protected papers is made from imported wood-pulp.

The reduction in imports of wood-pulp began only after the imposition of the duty thereon. This not only disposes of the claims for the quality of Bamboo-pulp but makes it clear that the mills would not use bamboo-pulp unless they were compelled and the circumstance may serve as a guide to the Board in their decision as to the amount of duty that should be levied.

10. Reference has been made elsewhere to the extraordinary position in respect to "spread". The figures adduced prove conclusively that, if the mills statement of costs are accurate, they cannot hope to do without protection within a reasonable period if ever. A statement showing the cost of converting pulp to paper in an English Mill was given in 1931 and a further statement in 1936. Additional figures applying to current costs are now again provided. It is the opinion of the Association that they are unanswerable and that the Board in 1931 was not justified in dealing with this point in the manner it did.

11. In the Boards original recommendations for protection, the class of cheap papers containing a large percentage of mechanical wood-pulp were dealt with, but so much emphasis was laid on newsprint and the requirements of newspapers that the very large demand for cheap papers other than for newspaper purposes was somewhat obscured through the generic title of "Newsprint" being applied to them as a whole. This particularly emerges in connection with the enquiry of 1936 by the Tariff Board into the classification of paper, through which the scope of protection was extended and whereby all hard-sized papers were classified as "Writing paper". Although this may be in strict conformance with the Act, it is entirely contrary to the recommendations and clear intentions of the Tariff Board of 1925. At that enquiry the "printing" and "writing" papers considered were those which were free from mechanical wood. The Mills themselves recognised Badami as a printing paper although they were aware that it was used very extensively for writing.

The Tariff Board of 1925 in paragraph 152 of its report undoubtedly contemplated the exclusion of some writing papers from protection and as they cannot have referred to wood-free papers, it may reasonably be assumed that they had in mind the commoner kinds containing mechanical pulp which it was not the practice at that time to consider as writing papers. It will be noted that the paragraph referred to deals only with certain specified classes of wood-free printing papers. The Association feels, therefore, that it is reasonable to assume that hard sized mechanical papers were considered merely as a variety of the class which had become to be known to them as "Newsprint". In support of this may be adduced the fact that every argument advanced in respect to the exclusion of "newsprint" applied with equal force whether it was use for printing or for writing. It cannot be made in India—even with the addition of the protective duty its cost is far below that of Indian made paper—and, it is the opinion of this Association that it does not compete with Indian made paper.

Unfortunately the fact that these points were not made clear at the time led to the conclusion that all writing papers, whatever the contents, were protected and in 1936 the Tariff Board decided that the distinction between printings and writing was to be determined by sizing. A hard-sized paper was to be considered as a writing paper and soft-sized, as a printing paper. So far reaching was this decision that it was ruled that a cheap badami costing Rs. 10-15 per ton c.i.f. (Rs. 143) was to be subject to a duty of Rs. 175 per ton. In another case a leading newspaper importing its requirements only in rolls suitable for its particular purpose, was assessed at Rs. 175 per ton on paper which was worth some Rs. 120 per ton c.i.f. The fact that certain printing papers require to be hard-sized was ignored.

The chief feature, however, was the extension of protection to a class of papers which was not contemplated in the original recommendations of the Tariff Board. It is not unreasonable to assume that had they considered that mechanical papers might be considered as competing with Indian made paper, they would have examined the question as to the amount of protection that would be required. That they did not is, in the opinion of this Association, additional evidence that they considered all papers containing a large percentage of mechanical wood, as being of one class that did not require further consideration in view of the fact that their low price ruled them out of the protective area.

In this they may have been supported by the suggestion of the Indian Mills that the exemption (from protection) should extend to *all* papers containing more than a certain percentage (to be fixed by the Board) of mechanical wood-pulp. (Paragraph 18, Tariff Board Report, 1926.) This suggestion was carried out and, for a time, mechanical papers whether hard-sized and whether laid or wove, were assessed at the revenue duty.

Subsequently, the Mills—perhaps emboldened by the acceptance of practically all their demands and despite the fact that they were working to capacity—sought to coerce the consumer into abandoning the use of the only remaining cheap paper, by demanding a literal interpretation of the word “writing” with the result that has been set out above. This has brought about the very condition which Sir Charles Innes specifically rejected when dealing with “newsprint” in the Assembly. An “outrageous” degree of protection is now an established fact. A point that the Indian Mills do not seem to realise, is that, if indeed these mechanical papers to compete with Indian made paper, they are automatically declaring that they can never have the faintest hope of becoming independent of protection.

12. The most striking feature of the paper industry during the past two years has been the floating of a number of paper mills at a time when the paper world was in the throes of an unprecedented slump. This Association feels that it is justified in assuming that the promoters of these mills had not received any assurance from the Government of India that protection would be continued and it is therefore evident, in spite of the low prices that were prevailing, that they were prepared to find the capital to erect their mills and to commence manufacture whether protection was continued or not. In other words the revenue duty of 25 per cent. (or 20 per cent. to 30 per cent. Preference) was sufficient to ensure a profit. As it is understood that the Indian Mills have submitted a combined memorandum, it is assumed that the newly formed Mills have added their voice to a claim for the continuance of protection. An united demand will naturally have more force than divided opinions but, on the other hand, the fact that the present degree of protection—even before the addition of the surcharge—had permitted the gathering of profits, may have had something to do with the inauguration of such a large number of mills so shortly before the present enquiry.

Attention has been drawn elsewhere to the advertisement of the Indian Paper Mills Association in which it is stated that the maximum tonnage which it is estimated can be captured is in the neighbourhood of 6,000 tons per annum. Even that is problematical. The estimated over-production of 32,000 tons per annum may, however, serve to draw attention to the evils of over-protection which this Association has always contended is the case.

Protection to the extent which has been granted to the paper industry, destroys the need for economy—a fact that may explain, and be reflected in, the enormous difference between the cost of pulp and finished paper in India as compared with European mills.

It is understood that the estimate of the Indian Paper-makers' Association as to excess tonnage is not quite accurate as some papers not in the protected classes will be made but it would appear to be clear that the amount of protection granted to the paper industry has led to a condition where the supply will be greater than the demand unless prices are reduced to an extent where they will encourage consumption. It is therefore to the interest of the industry as a whole—though not perhaps to the mills individually—that there should be a general reduction of rates. This can only be brought about by the abolition or reduction of protection unless inter-mill competition is to be the medium, in which case protection will be unnecessary.

13. It will be noted that number of the new mills are situated at a great distance from the ports. It is pointed out that the railway freight from the ports acts, not only as additional protection in the case of imported papers, but also as a protection against competition from their Indian competitors. Thus their need of protection is correspondingly reduced.

14. Again it is understood that the principal material to be used in the new mills is grass and in view of the findings of the Tariff Board in 1925, the question arises as to whether they are, in any case, entitled to protection.

15. The submission was made by the Indian Mills at one of the enquiries, that wood-pulp other than sulphite, should be admitted free of duty. In this connection, in case the question is again raised, it may be pointed out that protection was granted for the development of Bamboo-pulp and paper only—the fact that mills using other materials enjoyed the same degree of protection was incidental—and there is a danger of that fact being overlooked. Whilst the conversion of imported pulp would be an advantage if it could be carried out without cost to the public, no valid argument can be advanced for the perversion of protection to such a purpose. In fact such action would definitely discourage any effort to produce ultimately in India any other grade of pulp than that at present in use.

16. At the enquiry of 1925, it was decided that it was a matter of public importance that time and opportunity should be given for the development if possible of a Bamboo-pulp and paper industry. It was agreed that the paper industry as a whole was not an infant industry and it was, in fact, decided that the paper industry as a whole was not entitled to protection. The principle then enunciated might be expressed in the statement that at that time, the interests of the people and of the Bamboo-pulp and Paper Industry were identical. As the interest of the country of a whole must be paramount no exception can be taken to this principle. It would appear, however, as if this was a point of which sight has been lost in the years which have ensued. It is probable that the public has been compelled to pay a sum of not less than ten crores in extra duty and higher prices on local papers—the protected period has been extended from 7 to 12 years—the mills have enlarged their demands from a modest 25 per cent. to—in some cases—a rapacious 100 per cent. and yet at this period, despite the natural advantages of geographic position and raw materials, it is proposed that there shall be a still further period during which the public shall be compelled to pay prices out of all harmony with world conditions.

17. In the case of the older mills, they have had twelve years in which to accomplish that which they claimed to be able to do in two. The Association feels that, in their case, any claim for an extension of protection is incompatible with the conditions laid down by the Legislative Assembly. In respect to the newly formed Mills, it cannot be denied that they were conceived and promoted at a time when world prices were very low and when, as has been stated above, there existed nothing to assure them that the benefit of protection would not be withdrawn shortly after their inauguration. On the other hand, if they proposed to utilise Bamboo as their raw material, that product was no longer in an experimental state. Consequently, unless

the processes available were restricted to the former mills in which case the intention of protection had been frustrated, they were in a position to take advantage of the knowledge gained in the industry during the years of protection, and were not in need of it for themselves. The Association submits that an ample period for research and experiment has been allowed and that neither new nor old mills can advance a valid and substantial claim for its extension.

18. The extension of protection which has occurred during recent years leads the Association to fear that further claims may be made to the Board particularly in view of the fact that different types of paper making machines are understood to form part of the equipment of the new mills. The Association wishes to urge that applicants for the protection of any kind of paper not already in the specified classes, should satisfy the Board that such papers can actually be made economically in India, before any such inclusion can be considered. Many ill-founded assertions have been made in the past and it is felt that a complete and substantiated proof should be submitted to the Board, before the principle is accepted that the public should not again be mulcted in vast sums on the basis of bare possibilities.

19. This Association challenges the statement that papers containing 70 per cent. of mechanical wood-pulp compete with Indian made paper, except to the extent that sumptuary laws are to replace protection thereby compelling consumers to use a paper much better than is necessary by raising the price of the commoner kind to a prohibitive level. If the statement were founded on fact it is a common place that the mills would not have been able to increase their output since 1925 as the only effect would have been to increase the import of mechanical papers at the expense of wood-free since it is a great deal easier to produce a mechanical printing paper which will give results comparable with wood-free printing papers than it is to do the same thing for writing purposes.

It has always been beyond the comprehension of this Association why the Indian Mills have so persistently pressed for the exclusion of mechanical papers unless their efforts form part of a scheme for the extension of protection to all papers, as, events prove conclusively, that mechanical papers do not affect those made in India with a possible few exceptions—and even there an “outrageous” duty is required to exclude. The mills, however, in their anxiety—from whatever cause—do not appear to appreciate that, if their claims in this direction are substantial, they are abandoning their right to any protection whatever. If the reasons they advance for the exclusion of mechanical papers were founded on fact it must be obvious that they would have been obliterated many years before protection was granted, that, after protection was granted, mechanical papers would have increased so much in import that the mills would not have succeeded in capturing any portion of the tonnage previously imported and that there would be no possibility of them ever becoming self-supporting. In support of this conclusion reference is made to the 1925 Report of the Tariff Board [Page 119, paragraph 1 (4)] in which it is stated that “The sole criterion to determine whether a particular kind of printing paper ought to pay the lower rate of duty is the percentage of mechanical wood-pulp it contains, and the purpose for which it may be used is irrelevant”. And on page 120, paragraph 3 (4), this is made conclusive by the statement “Partly Mechanical Papers” (*sic—i.e., both printing and writing papers*)—Papers containing a proportion of mechanical pulp do in fact compete with the writing and printing papers made by the Indian Mills, and especially with Badami Paper. *They cannot be excluded from the protective tariff unless the percentage of mechanical pulp is 65 per cent. or more*”.

It is therefore the contention of this Association that the Tariff Board of 1925 and the Government of India in the Bill as introduced into the Assembly, considered that the hard-sized mechanical papers which were being imported were included in the genus “newsprint” which to avoid misinterpretation, was specified as Printing Paper containing not less than 65 per cent. (subsequently 70 per cent.) of mechanical wood-pulp. It should

be borne in mind that these papers were being regularly imported prior to protection being granted and it is not a case of a sinister subsequent introduction for the purpose of defeating the object of protection.

These papers were at the time he spoke, part of the class which Sir Charles Innes stated would require an outrageous degree of protection to exclude. They cannot have it both ways.

In its enquiry of 1936, it may be borne in mind that the Board was concerned with the interpretation of the Act itself and not with the Board's own recommendations of 1925. Consequently it would not in any case, have been able to give effect to the intentions of its 1925 Report where they were not in harmony with the Act. It is the opinion, however, of this Association that the Board in 1936 did not appreciate that the situation in 1925 was as set forth above.

20. It is the contention of this Association that the vital need in respect to paper is an expansion in consumption and that this can only be brought about by a reduction in prices so that they are more in consonance with India's purchasing power. That of the lowest and highest grades will be met by the importer and the medium class by the Indian Mills. Despite the Mills appeal for an extension of the period of protection, the fact that the larger number of mills now operating or in course of construction will produce a tonnage much in excess of any—at present—visible market, would appear to make it even more important to them that prices should not be maintained at their present artificial level. And that also, in the opinion of the Association, is the public interest and it can only be secured by the abolition of protection or by its reduction to such a figure that proper economy in manufacture shall be compulsory.

21. In conclusion this Association would request the Board to examine the case for protection from the aspect that it is the duty of the Mills to prove why paper is so much more expensive to manufacture in India and why the public should be compelled to pay higher prices than in countries with no greater advantage than the Indian Mills. Omitting the European continental Mills, therefore, for which it might be said that they enjoy special advantages in proximity to raw material or water power and taking the British Mills as a comparable criterion the position is as follows:—

	BRITISH.	INDIAN.
Pulp . . .	All imported (Grass and Wood) .	Raw material in abundance.
Coal . . .	High calorific value and cheap .	Lower calorific value but cheaper.
Chemicals . .	Manufactured in England. Sulphur imported.	Partly manufactured in India and partly imported.
Rosin and China Clay.	Rosin imported. China local.	Clay Local.
Machinery . .	Manufactured in England .	Mainly imported.
Labour . . .	....	Skilled and supervisory—mainly imported.

It is believed that no serious omission has been made in this comparative statement. British papers—with the possible exception of strength in the case of sabai grass paper—are in every way superior to those made in Indian Mills but the statement given below shows a wide disparity in price.

	BRITISH.	INDIAN.
Wood-free M. F. & S. C. Printing.	Rs. 343 per ton at mill .	Rs. 500 per ton at mill.

In the opinion of this Association there is no reason why paper should not be made in India as cheaply as in England as the natural advantages should be sufficient to counteract the disadvantages but even if that were

not so, the cost of packing and freight to India offers an advantage which is sufficient to turn the scale.

Those interested in the import of paper have been accused openly of self-interest. This is demonstrably contrary to fact. The import trade is fully aware that whether protection is extended or not, the tonnage of imported paper in the protected classes will not increase as any reduction in duty would be met by a corresponding reduction in local mill prices. It is, however, directly interested in that protection being confined to those papers which may economically be made in India and that the amount of protection shall be strictly limited to the minimum necessary to carry out its purpose with the least burden on the public and without diverting unnecessarily large sums of public money to the pockets of the few. In this the importers claim that they are only stating what the public is entitled to demand. It may be repeated that, particularly in view of the increase in the number of Indian Mills, their urgent need is to increase demand by lower prices and not to restrict it by maintaining an artificial standard.

22. It has cost the Indian public some ten crores to arrive at a stage that could have been reached for five per cent. of that sum and the stage has now been reached when public interest may again take precedence over private gain.

(8) *Letter dated the 14th February, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

I write to advise you that four copies of the following have been furnished to the Indian Paper-makers' Association:—

- (1) Reply to Questionnaire.
- (2) Separate letter regarding Question 20 with enclosure.
- (3) General representation.

(9) *Letter dated the 7th March, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

The attention of the Association has been drawn to the suggestion of the officers of Imperial Forest Research Institute that the duty on mechanical wood-pulp should be abolished. It is apparently admitted that there is as yet no evidence that mechanical pulp will ever be a commercial proposition. In the opinion of this Association this suggestion, if carried out, would prove most detrimental to the Indian Paper Industry. As the Board is aware the Mills have continually urged that mechanical papers compete with the indigenous and their arguments have been accepted to the extent that papers containing less than 70 per cent. of mechanical wood-pulp pay the protective duty. With the increase in the number of Mills it would seem to be clear that there would be an overwhelming temptation to utilise this cheap pulp as a means of facilitating the competition that is expected, and this would naturally reduce the consumption of bamboo and grass pulp for the manufacture of which protection was granted.

If mechanical wood-pulp is required for experimental purposes the quantity required is so small that the payment of the existing duty should prove no serious hardship on an Industry which has received so much indirect bounty from the public.

This argument applies with equal force—although perhaps is not exactly the same direction—to other grades of pulp not manufactured in India.

(10) *Letter dated the 24th March, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

With reference to the proposal of some of the Indian Mills that a sliding scale of duty should be introduced, this Association has considered the

suggestion from all aspects, but whilst appreciating that such a system would operate advantageously from one point of view it feels that it would render the position of importers and paper dealers so unstable as to render their trading very difficult.

Any alteration in the rate of duty would of necessity be based on the price of pulp at the time the alteration is made, whereas it is quite possible that the Mills would not be using pulp at this price for a considerable period afterwards owing to the custom of making contracts in advance. Thus the duty might actually operate at a disadvantage to the Mills in the event of a reduction in duty due to an advance in the price of pulp.

On the other hand in the reverse case importers might still be receiving shipments at high prices (as occurred in 1937) and be compelled to pay an increased duty owing to the price of pulp having fallen.

It is felt that a system of permitting importers to register contracts with a local authority would have similar disadvantages and my members therefore feel that such a system would prove very unsatisfactory in practice from the importers' point of view.

The Association takes the opportunity of drawing attention in this connection to the "spread" considered by the Indian Mills as sufficient for a Continental manufacturer, i.e., £9-9 per ton as against the amount required by the Indian Mills. It is of the opinion that the basis proposed by the Mill of revenue duty at a pulp price £16 per ton is hardly consonant with the progress they are believed to have made.

A clearer indication is given by their acceptance of the principle that a rate for competitive papers of £25-9 per ton requires a revenue duty only to secure adequate protection. According to this a protective duty of Rs. 85 per ton (25 per thousand on £25-9 is sufficient protection even though prices have dropped considerably during the past six to eight months.

(11) *Letter No. 323, dated the 25th March, 1938, from the Tariff Board, to the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

I am directed to say that during the course of your oral evidence you promised to supply the Board with the c.i.f. prices per ton of some of the protected classes of paper and to request you to be so good as to supply the same as early as possible.

(12) *Letter dated the 28th March, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

In reply to your letter of the 25th March, No. 323, all further information promised at the oral evidence including current prices of protected papers will be sent to you this week.

I take the opportunity of advising you that the draft of the evidence given by the representatives of this Association, and a letter on the subject of the sliding scale of duty were addressed to you last week care of the Town Hall, Bombay. No doubt they will be duly forwarded to you in Matheran.

(13) *Letter dated the 30th March, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

With reference to the further information promised at the oral evidence given by this Association I attach details which, I believe, cover all items. If, however, any further information is desired kindly let us know.

2. As regards the alteration proposed by the Indian Paper-makers' Association to the new wording for Item 44 (3), the Association does not consider that any good purpose would be served by this alteration. The Association finds it difficult to believe that any quantity of glazed casing has been imported as a substitute for account book paper, and still more difficult to

accept that, if it has been imported, it has been possible to dispose of it as such.

The Board has already pointed out that the insertion of the word "wrapping" after deep blue is unnecessary and consequently the Association considers that this item should remain as recommended by the Board in 1936.

CALCUTTA PAPER IMPORT ASSOCIATION.

Freight Rate.

		Per ton of 2,240 lbs.
		s. d.
<i>Europe to India—</i>		
From United Kingdom Ports	.	45 0
„ German	.	45 0
„ Belgian	.	45 0
„ Finnish-Helsingfors	.	55 0
„ Finnish-Riga	.	53 6
„ Swedish	.	50 0
„ Italy	.	32 6

Calcutta to Bombay—

By Rail Rs. 1-14-5 per maund—Rs. 51-15 per ton of 2,240 lbs.

By Sea Rs. 12 per ton of 2,240 lbs.

Calcutta to Inland Cities—

		Per maund.
		Rs. A. P.
Allahabad	.	1 2 9
Delhi	.	1 12 5
Cawnpore	.	1 6 11
Lahore	.	2 5 7

1938 Quotations.

		January.	February.	March.
		£ s. d.	£ s. d.	£ s. d.
<i>Wood-free—</i>				
M. F.	}	25 7 6	24 17 6	24 17 6
S. C.				
Imit Art	.	26 10 0	26 0 0	26 0 0
Cartridge	.	28 2 6	27 10 0	27 10 0
M. G. Poster	.	29 5 0	28 2 6	29 5 0
A/c Book Paper	.	26 10 0	26 0 0	26 0 0
White Bend	.	29 5 0	29 5 0	29 5 0
Glazed Casing Buff	.	20 0 0	20 0 0	20 0 0
<i>M. G. Kraft—</i>				
Natural	.	24 7 6	24 7 6	24 7 6
Golden	.	25 7 6	25 7 6	25 7 6

Bond Prices in 1937.

	Per ton c.i.f.
	£ s.
January	27 0
April	32 10
July	32 10
October	35 0

These prices are for "Borregaard" Bond which sets the standard for the Calcutta Market.

Market value passed in the Meeting of the Sub-Committee, 26th March, 1938.

(Previous list cancelled.)

	Rs. A. P.	
1. M. G. Fully bleached White Tissue Paper D/C .	2 2 0	Ream net.
2. M. G. White Tissue Paper	1 12 0	" "
3. M. F. White Tissue Paper (Semi-Bleached) .	2 4 0	" "
4. M. G. Coloured Tissue Paper	2 0 0	" "
5. Superior White Tissue Paper (Fully Bleached) .	2 8 0	" "
6. M. F. Superior quality coloured tissue paper .	2 12 0	" "
7. Coloured Glazed 40 to 50 grams 18×22 . . .	1 8 0	" "
8. Coloured Glazed 40 to 50 grams 20×30 . . .	2 8 0	" "
9. M. G. Nature Brown 25 grams and below . .	1 2 0	" "
10. Unglazed Grease Proof Paper No. 1 D/C . .	3 2 0	" "
11. Unglazed Grease Proof Paper No. 2 . . .	2 10 0	" "
12. Transparent bleached paper No. 1	3 12 0	" "
13. Transparent bleached paper No. 2	3 4 0	" "
14. Transparent half-bleached paper No. 3 . .	3 0 0	" "
15. Coloured short size demy	1 6 0	" "
16. Coloured Flint Paper 20×30	8 4 0	" "
17. Coloured Flint Paper F'Cap	2 12 0	" "
18. M. G. White and Coloured Poster paper . .	0 3 4	per lb.
19. M. G. Green and Blue Match Paper . . .	0 2 9	" "
20. Drawing Cartridge Paper	0 3 6	" "
21. M. G. Coloured sulphite paper (Mechanical) .	0 2 6	" "
22. M. G. Coloured sulphite paper (Pure) . .	0 2 9	" "
23. Chromo Art Paper Wood-free	0 4 6	" "
24. Chromo Art Paper Wood-free (Mechanical) .	0 4 3	" "
25. Mechanical Art Paper	0 4 3	" "
26. Glazed tinted Unglazed tinted and M. G. Pressing thick	0 2 3	" "

(14) Letter, dated the 1st April, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.

With reference to my letter of the 28th March, I write to advise you that the market rates quoted are local selling prices including duty and therefore Tariff Values which are based on C.I.F. rates would be require to be amended accordingly.

(15) *Letter dated the 1st April, 1938, from the Calcutta Paper Import Association, 3, Mangoe Lane, Calcutta.*

It is understood that the Indian Mills made certain proposals which would affect the classification of paper as recommended by the Tariff Board in 1936. The findings in this report were based on a Conference between the Central Board of Revenue, Customs, the Indian Paper Mills, the Paper Importers and Dealers and in principle has had such satisfactory results that this Association considers that no action should now be taken which would disturb the status quo.

My Association considers that the proposed items of the Tariff Schedule as detailed on page 21 of the 1936 Report are satisfactory in all respects and it would like to see the present schedule amended accordingly when the matter comes before the Assembly.



**Evidence of Mr. E. H. STAINES, of Messrs. JOHN DICKINSON & Co.,
Mr. G. B. STANTON of Messrs. WIGGINS, TAPE and ALEX.
PIRIE, and Mr. W. K. BATTEY of Messrs. BATTEY
and KEMP recorded at Calcutta, on Wednesday,
the 16th February, 1938.**

B.—ORAL.

President.—What positions do you hold?

Mr. Battey.—We are the Calcutta Paper Import Association. I am the Secretary and Mr. Staines is the Chairman.

President.—Are you replying in the main?

Mr. Battey.—I think I am.

President.—Before we begin with your replies I should like to make a few general remarks. The Tariff Board is called upon first of all to consider whether there is any case for the continuance of protection or not. There is no question of any promise having been given that protection would be continued beyond the 31st of March, 1939. That is quite clear. But whether the Tariff Board decides to recommend the continuance of protection or not, we have to consider another possibility. Supposing the Tariff Board did not recommend continuance of protection, the Legislature and the Government of India might take a different view. So, we have to proceed on the assumption that protection may be considered and that raises the question of the degree of protection and what paper should be protected which brings up the question of classification.

Mr. Battey.—I may say, to clarify the situation, that we actually are not opposed to protection when the natural advantages and conditions justify. The only thing that, both as members of the public and as people financially affected we want to see, is that it is not excessive and that the conditions are carried out.

President.—That clears the air a little. I may give a few facts and figures which would perhaps clear the air a little more, before we begin the discussion of the present capacity of the mills, leaving out a few mills of which we have received no information. For example the present capacity is 49,000 tons. We have received information from the new mills as to their proposed capacities and that figure will be in the neighbourhood of 35,000 tons. It does not actually mean that the mills will be working to that capacity immediately. Naturally when they start, they may have difficulties and so it is possible by the end of this year it might be 20,000 tons. They are not likely to reach 35,000 tons within 18 or 24 months; that is to say, if there is a demand for their production.

Another point which perhaps might clear the air is that the fair selling price of paper in the last enquiry was taken as Rs. 464. There is no secret about it that since then the mills have effected very substantial reductions. I am talking of the bamboo mills. They have effected very substantial reductions and therefore the figure Rs. 464 is now out of date. So, we are considering, as regards the old mills at any rate, on a somewhat lower basis. In regard to most tariff enquiries—the recent sugar enquiry, for example, on which I and my colleague were engaged—the usual practice of the Tariff Board is to take the cost of manufacture *plus* the overheads and a reasonable allowance for profit, compare that with the landed price of imported article and see what the measure of protection should be. In the last two paper enquiries, the Tariff Board did not find that procedure to be altogether possible and actually the figures they took for comparison were the cost of manufacture and the realised price. Of course, the situation has altered very much. In 1931 the Tariff Board had to consider practically the cost of one mill only. The second mill had just begun manufacturing but the figures

given were mainly of one mill. On this occasion we have got figures for 4 mills—and they are bamboo mills—for periods extending over at least three years in the case of all of them. So, the situation is somewhat different.

Mr. Battey.—Quite so.

President.—It is possible now for the Board to compare the cost of manufacture of different mills and see what is reasonable. With these preliminary remarks I think we might pass to your representations. I think you have put in three different representations, including the one on the question of surcharge which I think we might leave over till the last because the points raised in the other two may affect the surcharge very much. You have sent in a general representation and detailed replies to the questionnaire. We shall begin with your general representation dated the 8th February. Now, of course, the question of what is the landed price of paper is a matter of great importance but it is a matter of considerable difficulty to get comparable figures because there are so many qualities of paper. You are fully aware of the difficulties in that respect. You have given us certain figures. Of course, last year there has been a rise.

Mr. Battey.—Yes, in 1937.

President.—But those prices have declined since then.

Mr. Battey.—In some cases there has been a substantial reduction.

President.—So, it is a matter of some difficulty for the Board to arrive at what may be considered a fair average landed price.

Mr. Battey.—Yes, except that our information at present is that the mills are now beginning to use more expensive pulp. We have been informed that the kraft convention have fixed a certain rate, £23 a ton, and their present inclination is to work short time rather than reduce the price. We understand that the continental people making wood-free papers are forming or have formed a similar convention, the point being that having to use a more expensive pulp they are reaching a stage during the present depression where it is not possible to bring their prices down any more. Whether the pulp prices will go down or not we cannot say. If pulp prices go down, then naturally paper manufacturers can reduce their prices. But, assuming that they all place forward contracts as they generally do for pulp, the present position is that they have reached a point where they do not think they can go down any further.

Mr. Rahimtoola.—The reason for their using expensive pulp is due to the present pulp prices.

Mr. Battey.—They have completed cheap pulp contracts placed before the rise in price.

Mr. Rahimtoola.—That is my point because of the rise in prices they cannot manufacture paper at a competition price.

Mr. Battey.—They have got to use dear pulp because they cannot get any more cheap pulp.

Mr. Rahimtoola.—What is the period of the contract?

Mr. Battey.—Usually 12 months.

President.—On that information you don't think that the price of paper is likely to slip back to the previous low level.

Mr. Battey.—Do you mean the slump level?

President.—Yes.

Mr. Battey.—I don't think it ever can, though it is very difficult to prophesy.

President.—There is one point at any rate where the manufacturers and others are in agreement and that is, it is very difficult to make forecasts.

Mr. Battey.—Yes.

President.—Any information which you can give us bearing on that point will be of great value. You have taken the creamlaid writing paper as your standard, have you not? You have given a price of £19-16-8 in paragraph 4.

Mr. Battey.—That was prior to the war.

President.—What is the latest figure you have given?

Mr. Battey.—It was £27.5 in 1937.

President.—Where have you given that?

Mr. Battey.—In reply to the questionnaire.

President.—We will deal with it when we come to your replies to the questionnaire.

Mr. Battey.—Yes.

President.—In paragraph 5 you talk about the comparative costs of working a mill in India and in England. You say that the machinery costs more to the extent of freight and increased erection charges, but you have left out of account the import duty.

Mr. Battey.—I am actually paying Rs. 175 per ton on account of depreciation of, say, the British and Continental machinery which comes out in the price of paper. That is why I left the duty out.

President.—When you compare the prices you have to take the duty into account.

Mr. Battey.—Yes.

President.—Then, in regard to the question of freight and packing in respect of which you say the mills have an advantage, we have been informed that the Indian mills have to go in for a good deal more elaborate packing than they did before and that they have to pack in a manner similar to the packing of imported paper to a great extent.

Mr. Battey.—Is that actually necessary or merely to meet the taste of the market?

President.—Partly to meet the taste of the market.

Mr. Battey.—Where the English mills do not have to send their paper over long distances they do not pack in what we term export or semi-export packing.

President.—Of course for short distances mills do not pack so very elaborately but for long distances they pack in a manner comparable to the imported article.

Mr. Battey.—I think in England there is an extra charge of 40 shillings per ton for packing.

President.—On the other hand they make the point that they are paying more attention to packing and in fact they do ship a certain amount of paper by sea to Karachi and Bombay.

Mr. Battey.—This can be done by hand while all English packing is done by hydraulic presses which means a considerable increase in capital expenditure.

President.—The point has been raised by the mills that in regard to competition with imported paper, it is most severe at the ports. For example, to Bombay the freight from Calcutta is a very considerable item, and in that respect possibly the sea freight from England to Bombay may be even little less than the freight from Calcutta to Bombay.

Mr. Battey.—I do not know the freight from Calcutta: we will, however, put it that they are at a disadvantage as regards freight.

President.—That is rather obvious: that is the point put forward by them. Of course you understand that in dealing with your representation the Board are putting forward the counter case, not our views at all.

Mr. Battey.—We quite realise that.

President.—We have been told by the mills that actually bamboo paper does not command a lower price than other papers now.

Mr. Battey.—No, only the Indian Paper-pulp Company's papers do sell at a lower price.

President.—Sometimes.

Mr. Battey.—Yes, but certainly we agree that Bengal and Titaghur charge the same price for both grass and bamboo paper.

President.—Of course in their case a good deal of paper is made from bamboo and grass pulp combined. In regard to this question of freight, I do not know whether your Association would like to put in figures comparing freight from, say, England or other countries to typical ports and compare them with railway freights and see who has a freight advantage.

Mr. Battey.—We will give both rail freight and sea freight.

President.—In all tariff enquiries the question of freight advantage or disadvantage is important and I think perhaps you might amplify your answers on that point by giving actual facts and figures.

Mr. Battey.—Yes.

President.—In paragraph 9 you have stated that "12 years after protection was granted over 25 per cent. of the total production of protected papers is made from imported wood-pulp". Of course 25 per cent. is a very much lower figure than what it was in 1931 and we are informed by the mills that they are steadily decreasing their use of imported pulp. Of course they have only been able to furnish figures up to 1936-37: this year they have increased the proportion of indigenous pulp.

Mr. Battey.—That is admitted; our case is that they have been unduly slow.

President.—Until recently they have not been able to make as much pulp as they require: there has been a considerable increase in the last few months in one or two of the mills. One mill say they hope to do away with imported pulp altogether but the proportion in which they work at present is below 10 per cent.

Mr. Battey.—Touching on that pulp question, I think they say they will always require 10 to 15 per cent.

President.—They hope to bring it down to 10 per cent.

Mr. Battey.—In the case of a break down our attitude would be that they should have a little more for their requirements.

President.—We raised that point with the mills and the present difficulty is that no pulp has been manufactured to keep and pulp if it is kept may deteriorate. Nothing is known yet of the keeping quality of bamboo pulp. That question will presumably arise, but generally speaking their line of argument is that fresher the pulp it is better. If it is kept it is not so good as the pulp if it is used straight away. If they were to convert their pulp in the way imported pulp is done, that will increase their cost. We have had an estimate of the extra cost per ton: it would be about Rs. 20 to put it into the form in which it is generally brought in.

Mr. Battey.—That of course affects their primary cost as compared with the imported pulp. Supposing one takes the view that bamboo pulp will have an export market, the suppliers of wood-pulp are already incurring that cost at the present moment, and this reduces the possibility of an export market for Indian pulp by that Rs. 20 per ton.

President.—That will make it more difficult. I do not know if you are aware of the Trinidad Bamboo pulp and paper mills which have been recently started?

Mr. Battey.—We have heard of it.

President.—They are manufacturing pulp from bamboo and exporting it to the United Kingdom. It is only recently started and no final conclusion has been reached but it would appear from the reports that bamboo has possibilities.

Mr. Battey.—We have heard of experiments made in England and we understand they can make better paper from bamboo pulp in England than the Indian mills can do in India.

President.—That shows bamboo pulp might definitely establish itself as a suitable material.

Mr. Battey.—We agree, but we would not agree that it is as good as wood-pulp yet, but it can make good paper. There is no question about that.

President.—What I was leading up to was that the possibility of export of bamboo pulp cannot be ruled out as an impracticable idea. While on this subject of wood-pulp we might just deal with the question of duty on imported pulp. I do not know whether your Association has dealt with that point.

Mr. Battey.—We do touch on it: we say that it needed import duties to persuade the mills to manufacture pulp.

President.—It was the question of the continuance of duty that I was thinking of.

Mr. Battey.—It is rather a difficult point. Our case is that they have not really made any serious progress since 1931; they had then received Rs. 47 lakhs as the benefits of protection and had only spent 13½ lakhs. They more then proposing to spend Rs. 3½ lakhs. I am giving the facts as reported by Tariff Board as regards bamboo pulp.

President.—I think it may be said that it is only the import duty on pulp that induced the mills to manufacture bamboo pulp.

Mr. Battey.—We quite agree, but as members of the public I think we really would like to see that the mills carried out the obligations they have taken up.

President.—To put it bluntly, prevent the mills from going back to imported pulp?

Mr. Battey.—As a matter of fact if their costs are going down, if they are really developing manufacture of bamboo pulp, the duty may not actually be necessary as indigenous pulp might then be cheaper.

President.—With the price that pulp has reached it might have been cheaper to make pulp in India.

Mr. Battey.—At £15 a ton in England it is very difficult

President.—Those prices have since come down, but may I take it that, supposing protection is continued for paper, your Association would favour the continuance of protective duty on pulp?

Mr. Battey.—Definitely.

President.—We now come to the question of spread which you have always stressed. In your representation on the surcharge in the Appendix you have given certain figures to show that the cost of conversion in India is excessive.

Mr. Battey.—That may be affected by the representation made by the India Pulp and Paper Company in which they say they would be satisfied with certain realised prices. That indicates, to our mind, that they have achieved a reduction not only in the pulp costs but also in the spread required.

President.—It is not altogether easy to make comparisons. You have given the average cost of pulp in England as so much: does that include an allowance for overheads or is it merely the works cost?

Mr. Battey.—That will be delivery at mill. That is purchased pulp.

President.—A comparable price would be price of pulp manufactured in the mills—works cost *plus* overheads.

Mr. Battey.—*Plus* a proportion of the overheads: this price includes overheads in the pulp mill.

President.—If you take the cost of manufacture of pulp *plus* overheads in an Indian mill at present, the spread is not so very large.

Mr. Battey.—The last cost I remember in Titaghur was Rs. 186 and Rs. 165 in the case of the India Paper Pulp and then the selling price was Rs. 464 which left a spread of anything up to Rs. 280.

President.—These figures are rather out of date now. In your appendix you have given Rs. 198 as the average cost of conversion.

Mr. Battey.—That is excluding profit. I quoted that from the Tariff Board report.

President.—These figures have materially dropped since then.

Mr. Battey.—Quite so, that is substantially reduced.

President.—Do you wish to press the point that the spread is very excessive at present?

Mr. Battey.—We have not got the figures. If the Board is satisfied we might drop it.

President.—You have raised a general question as to what was the intention of the Tariff Board and the Legislature to protect. The wording is "the intention was to protect writing paper" and therefore as a corollary to that the view of the Tariff Board was that what could be used for writing was competing with writing paper and therefore the mills were entitled to protection from that point of view.

Mr. Battey.—The Tariff Board had no alternative.

President.—They had definitely in mind protecting writing paper and they also took into consideration papers which came into competition with writing paper.

Mr. Battey.—We claim that these do not compete. The position is this: these mechanical papers were in existence long before protection was granted and obviously if they competed, we would not only not be selling the better class wood-free Continental papers, but also the Indian mills would not be able to sell their papers. These papers are so cheap that if they competed, they would have cut out all papers except where the people insisted on a better grade paper. I don't think it has ever been asserted that the quantities increased after protection. What our contention really is, is that those papers were not considered as writing papers in 1925, and if they had been, they would have been dealt with on a different basis.

President.—The Commerce Member at that time drew attention to the fact that importers would exercise their ingenuity to defeat the object of protection.

Mr. Battey.—Yes.

President.—And papers might be brought in which were not really writing papers to compete with writing papers. That was definitely envisaged at that time.

Mr. Battey.—I don't think there was any increase in the importation. The difference is so vast that they could not use this cheap paper in competition with wood-free writings. Actually the same arguments apply to printing as to writing. If mechanical writings should be protected, then mechanical printings should also be protected. I should imagine that it would be very much easier to produce good results on mechanical printing paper than on mechanical writing paper. To that extent mechanical printings should be protected more than the mechanical writings.

President.—I must say that having read through the Reports, it does seem to me that both the original Tariff Board of 1925 and the Tariff Board of 1931 did want to see that there was no unfair competition with writing paper by papers which though intended for printing were misused for writing. I think that that was the intention of the Tariff Board.

I don't think whether it would be convenient, as we touch on the question of writing and printing, to take up the question of test at this stage or at a later stage. In your replies to the questionnaire, you have dealt with the question of tests.

Mr. Battey.—As a matter of fact we say that we do not know of any test more satisfactory as the pen and ink test. I think I mentioned the other day I got a paper in which the Americans put up a questionnaire

on the subject and they received in reply 27 scientific tests and none of them were admittedly as actually reliable.

President.—The general position seems to be that the writing test is not completely satisfactory, because personal element comes in, but no one can think of anything better. Is that the position?

Mr. Battey.—Yes. You get the question of humidity here. As a matter of fact a representative of a Norwegian firm told me that one and the same paper showed entirely different results if tested after an interval of one or two months. If a mill made some paper and despatched half of it immediately, it might show one result on arrival in Calcutta and if they kept the other half and despatched it two months later, it would show a different result.

President.—Of course that difficulty is possibly greater in India than in other countries owing to monsoon.

Mr. Battey.—Yes.

President.—The Board would be interested in seeing the possibility of getting another test, but nobody has been able to suggest anything better. In regard to the test for determining the amount of mechanical pulp, is that working satisfactorily?

Mr. Battey.—As far as we know it is working very satisfactorily. Very few cases have come up recently.

President.—Actually we have been told in Calcutta there have been no disputes in the year 1937 at all. In Madras there have been none. In Bombay I could not say off-hand, but there have been very few. In that respect the position has very much improved.

Mr. Battey.—I think the Collectors have been given discretion provided they are satisfied that such a paper was definitely ordered.

President.—You have no particular comments to make on that?

Mr. Battey.—No.

President.—In paragraph 14 you talk about the new mills using mainly grass. That is not really a correct statement of fact. Of the new mills, the Shree Gopal Paper Mills Company, Limited, is using grass. The Andhra Paper Mills is going to use bamboo only. The new Star mill is going to use grass and Mysore Paper Mills, the Orient Paper Mills and Rohtas Industries Limited are going to use bamboo, 4 bamboos against 2 grass. Of the two grass mills one is a revival of the old mill. So definitely bamboo is going ahead.

Mr. Battey.—Yes.

President.—As I have already said the existing bamboo pulp mills are increasing their output of bamboo pulp as against their grass pulp.

Mr. Battey.—Yes.

President.—As you know two mills are using bamboo pulp only and two are using grass and bamboo. In regard to this question of the new mills coming into existence: take the case of the Sugar Industry which we recently enquired into. Up to 1933 the price of sugar in India was regulated mainly by the price of imported sugar, but since 1933 it has been regulated entirely by the internal competition. With the increased production by the new mills the same factors are likely to come into play.

Mr. Battey.—To the extent they are making the same class of paper?

President.—Yes.

Mr. Battey.—I understand that the Orient Mills are going to make entirely kraft and if they do, they take their 6,000 tons out of that and I think that Rohtas are thinking of manufacturing M. G. paper which is also not in the protected class. Probably you have the figures as to how much protected paper they will be making.

President.—Mainly protected.

Mr. Battey.—Certainly there is going to be very severe internal competition unless they can expand the demand. That is why we say they should

be pleading for a reduction of protection in order to increase consumption.

President.—Mills themselves envisage a situation arising about the beginning of 1939 when internal competition will come into play very definitely.

Mr. Battey.—That is the very best thing that can happen. Quality will then improve and they will get near to the European standard generally.

President.—We have been informed—I do not know whether you accept the statement—that when there was a recent rise in the world price of paper, the price of Indian paper didn't go up in the same proportion.

Mr. Battey.—No.

President.—Is that correct?

Mr. Battey.—There was a sudden improvement in European and American prices.

President.—The Indian Mills didn't increase their prices in the same ratio?

Mr. Battey.—No.

President.—That rather points to the fact that internal competition has come into play.

Mr. Battey.—I don't think so. Their order sheets were very full. As far ahead as they could book their orders. The same position would be found in Europe. When the increase first started, everybody tried to get in while the getting was good and for a long time papers were coming out much below the European market price. Towards the end of the year the price went up.

President.—Speaking generally the contention of the mills is that they have not increased their price as they might have done. You can put it that way.

Mr. Battey.—Yes.

President.—Your contention is that they entirely regulated their price according to the import price and generally sold it cheaper.

Mr. Battey.—Yes.

President.—You raise the point about the new classes of paper likely to be manufactured by the new mills. Of course no Tariff Board would accept any vague suggestion that some kind of paper might perhaps be manufactured and therefore protection ought to be given. They want something more definite than that. If a new paper is going to be made, we shall look into the question at what price it is going to be manufactured. The question of kraft paper will be important. From the figures we have looked up the other day the amount of kraft paper imported at present is in the neighbourhood of 10,000 tons.

Mr. Battey.—That is about correct. The only point is that I don't think there is a very large percentage of the imitation kraft,—not much in Calcutta. Mr. Mazumdar could give you more information on that point. There may be imports of imitation kraft paper on the Bombay side. As far as we know there may have been some increase during the recent big rise in kraft prices. Naturally when prices go up, the tendency is to try and find a substitute. The actual difference between the prices of kraft and imitation kraft is so small and the difference in the quality is so great that a comparatively small quantity is used.

Mr. Rahimtoola.—What do you mean by "comparatively small"—about £2 to £3?

Mr. Battey.—Yes.

President.—Most of the imitation kraft comes from abroad.

Mr. Battey.—Entirely.

President.—A small quantity comes from the United Kingdom.

Mr. Battey.—They make it under a heavily protective duty in England.

President.—Actually kraft paper at present imported into India pays 30 per cent. duty.

Mr. Battey.—2 annas 2 pies tariff value—7·8 pies duty per lb.

President.—I drew the attention of the Paper-makers' Association to paragraph 21 of your representation particularly and asked them what they had to say. Their contention was that on the whole they had to pay more for their chemicals than a mill in England would.

Mr. Battey.—Again I am afraid I must say I have to pay a duty of Rs. 175 a ton on the chemicals in my paper.

President.—Their main point was that practically all paper machinery had to be imported and they had to pay a very heavy import duty.

Mr. Battey.—10 per cent.

President.—That of course raises their cost of production. As regards labour they also pointed out that they had to pay more proportionately for some of their skilled labour than in England. That applies mainly to imported labour.

Mr. Battey.—Yes.

President.—That is obvious.

Mr. Battey.—That should be compensated by the lower cost of local labour unless the output per man is not comparable.

President.—Their contention is that local labour want more supervision. It was not really so much cheaper. At the bottom of page 7, you have given a comparison: British mill Rs. 343 for wood-free M. F. and S. C. printing as against Rs. 500 per ton at mill in India. Is that figure of Rs. 500 correct?

Mr. Battey.—It should be Rs. 464.

Mr. Rahimtoola.—For what year are these prices given?

Mr. Battey.—Current prices.

Mr. Rahimtoola.—You have given ex-mill.

Mr. Battey.—About £25.

Mr. Rahimtoola.—Is that the cost price?

Mr. Battey.—Ex-mill selling price.

Mr. Rahimtoola.—In 1937? सत्यमेव जयते

Mr. Battey.—Yes, £25.

Mr. Rahimtoola.—You have compared it with the fair selling price which the Board took in 1931.

Mr. Battey.—I understand the present price is 3 annas 11 pies.

President.—I don't think the present price is as high as Rs. 500 per ton.

Mr. Rahimtoola.—3 annas 11 pies is not their realised price.

Mr. Battey.—Discount has to come off that.

Mr. Rahimtoola.—The realised price is 3 annas 1 pie per lb.

President.—That would bring your figure down very considerably. 1 pie a lb. is equal to Rs. 12·8 a ton.

Mr. Battey.—Rs. 11·10·8. It will bring down our figure by Rs. 45. Is their average realised price for the whole of their output?

Mr. Rahimtoola.—The bulk of their production.

Mr. Battey.—Do they make allowance for railway freight?

President.—The price given by the mills is generally ex-mill. They have given figures for their main varieties.

Mr. Battey.—My information is that 3 annas 11 pies is their Calcutta selling price. Of course, discount has to come off that. What we really want to say is that Rs. 464 is an out of date figure.

Mr. Rahimtoola.—In 1936-37 white printing was 3 annas 1 pie or Rs. 432 roughly as against Rs. 334.

Mr. Battey.—Yes.

President.—With regard to the classification made by the Tariff Board of 1936 over which my colleague presided, how has it generally worked?

Mr. Battey.—Very well. We have had very little trouble except in one or two cases which we have mentioned in our representation. The only thing we would like is exact definition.

President.—There is difficulty in regard to writing test. But they have endeavoured to standardise the test.

Mr. Battey.—I was not thinking of writing paper. I was thinking of a case which occurred in Cochin where a cartridge paper imported not in the size specified in the Government instructions was ruled as a printing paper. We suggest that it should specify actual dimensions and number of sheets per ream.

President.—We have adopted 24 lbs. demy.

Mr. Battey.—What size?

President.—85 grammes substance to a square meter.

Mr. Battey.—The number of sheets may be 480 or 500. If a size is to be mentioned, we should like it in relation to the number of sheets.

Mr. Rahimtoola.—The number of sheets may differ.

Mr. Battey.—Take 500 as the standard, or 85.2 grammes per square meter. In the case cited by me, the Customs officer assessed at the protective duty although it should have come in as a non-protected class.

President.—That has been accepted by the Central Board of Revenue.

Mr. Battey.—Even then, this consignment was assessed at the protective duty.

President.—Is this (1936 Tariff Board's classification, given on page 21 of their report) all right from your point of view?

Mr. Battey.—Yes.

President.—It looks as if the case cited by you was an error of judgment.

Mr. Battey.—Possibly it was reversed on appeal. What we want to say is that wherever possible the instructions given to the Collectors should be definite.

President.—We understand that there has been a good deal more uniformity of practice than in 1931. Things have been standardised and they have been enabled to work the rule on uniform lines.

Mr. Battey.—There is difficulty in regard to the question of market values.

President.—The Tariff Board is not directly concerned with it.

Mr. Battey.—We thought that possibly you might deal with that under the question of classification.

President.—Are there any other points with regard to the present classification?

Mr. Battey.—We have had very little trouble.

President.—We have been thinking whether it is possible to get a simpler and better classification. So far, nobody has been able to suggest anything better. Any change might cause disturbance and do more harm than good.

Mr. Battey.—As a matter of fact it was the result of considerable deliberation between the mills and the importers.

President.—Do I take it that if protection is continued roughly for the same class of paper as at present, you would like the existing classification to be continued?

Mr. Battey.—Yes.

President.—In regard to the question of the extension of the scope of protection, the position of the new mills is different from that of the old mills. A suggestion has been made about the cartridge drawing paper that it should be protected on the ground that 2 or 3 mills are actually making that class of paper.

Mr. Battey.—I suppose you are referring to wood-free cartridge and not to the higher grade cartridge. That is not a very important item.

President.—All other cartridge is subject to the protective duty.

Mr. Battey.—Printing cartridge and offset cartridge below 24 lbs. demy.

President.—You would not raise any considerable objection to the protection of drawing cartridge.

Mr. Battey.—We shall send you a note on that.

President.—We might now pass on to the question of your replies to the questionnaire. In Annexure A I take it the heading "wood-free printing" ought to come down and cover these figures.

Mr. Battey.—Yes.

Mr. Rahimtoola.—All these 1937 prices are December prices, are they not. In one case you have specified that it referred to December, 1937.

Mr. Staines.—The others are average figures for the whole year.

President.—The present position is rather uncertain. I wonder if you could give us figures up to March for all the three qualities.

Mr. Battey.—Yes.

President.—With regard to question 3, your view is that quality for quality, the market (printers and publishers) would prefer imported paper.

Mr. Battey.—Certainly.

President.—Is there any preference for Indian paper from the swadeshi point of view?

Mr. Battey.—Probably to a small extent.

President.—We were told possibly in a few markets that factor might operate, but not generally speaking.

Mr. Battey.—I don't think it would apply generally. You might find the paper dealer more patriotic but the printer would be looking for the best job.

President.—It would not very much matter to the dealer as he has not got to use it.

Mr. Battey.—Quite.

President.—In regard to this question of bamboo paper, I do not know whether you see much paper containing mainly bamboo furnish or whether there is any material difference between that and other classes of paper?

Mr. Battey.—The general impression appears to be that the India Paper-pulp Company's paper is not quite so good as that of Titaghur and the Bengal Paper Mills. But that may be due to the fact that the other two mills are using grass also in certain proportions whereas the India Paper-pulp Company make it entirely from bamboo.

President.—Even Titaghur and Bengal do also make some paper from bamboo without admixture of grass. Apparently they are selling at the same price.

Mr. Battey.—Yes.

President.—You agree that there has been general improvement in the quality of Indian paper since 1931.

Mr. Battey.—I am not sure of that. I had samples drawn the other day and as we have mentioned, I think in supercalendered—what they call imitation art paper—they have made definite improvement but the M. F. Printing is not very good.

President.—In what class of paper do you think they have improved and in what class they are definitely backward?

Mr. Battey.—In M. F. Printing they are backward.

Mr. Rahimtoola.—In what way are they backward?

Mr. Battey.—Dirt spots, surface defects and so on (samples shown). In some the surface may be fairly good while in some there are defects.

Mr. Rahimtoola.—Is this the ordinary paper they are manufacturing?

Mr. Battey.—We have just taken these at random from the bazar.

Mr. Rahimtoola.—They may be making different qualities.

Mr. Battey.—These are what we have taken from the bazar at random. They do not compare with imported papers sold in competition.

Mr. Rahimtoola.—That is why they are not realising the full price.

Mr. Battey.—The price they have been realising except during this boom period is based on the import price.

President.—Quality for quality would you put a figure on it?

Mr. Battey.—We would not like to. They can turn out much better paper and I think they will do it when they get competition which will force them to do so.

President.—In regard to the supply to the Central Government, the local Governments and State Railways, the Controller of Printing and Stationery says that there has been great improvement.

Mr. Battey.—We do not say they cannot turn out good paper.

Mr. Rahimtoola.—In regard to these samples, probably they are turning out different grades according to market conditions (samples shown).

Mr. Battey.—Probably they realise a higher price for the papers you have just shown.

Mr. Rahimtoola.—They realised As. 3-1 per lb. The price of super-calender they have given as As. 3-4 per lb.

President.—In regard to this question of kraft paper, do you import a good many varieties at present?

Mr. Battey.—No: it is practically one variety in two shades. As far as we know there is very little imitation kraft.

Mr. Rahimtoola.—Generally speaking?

Mr. Battey.—Generally speaking in either of the two shades (samples shown) natural or golden. Little comes in the shade of grey.

President.—Which is the bulk of the product?

Mr. Staines.—Probably 75 per cent. is genuine Swedish kraft and 25 per cent. cheap imitation kraft.

President.—Does this kind of kraft come in (samples shown).

Mr. Staines.—It is probably used for box cover. It is very much like casing paper.

President.—Here are some other qualities that have come in at various times (shown).

Mr. Staines.—I should imagine their percentage would be very small; the vast bulk will be in natural and golden shades.

President.—What do you think of these samples (shown)? Of course the finish could not be good for experimental purposes.

Mr. Battey.—They show signs of promise.

Mr. Staines.—Of the kraft used in India 75 per cent. will probably be genuine Swedish in the thinner substance 39 grammes, thinner than the samples you have shown and it is difficult to make a comparison. After all the quality of kraft is that it has an amazing strength compared to its thickness.

President.—In your representation you draw attention to the fact that in the Tariff Schedule chromo has always been shown as chrome.

Mr. Battey.—In the Statutory Schedule it has remained as chrome.

President.—It is in the Act and they cannot alter it.

Mr. Battey.—The original mistake was in 1925 and was repeated in 1931.

President.—Of course we all understand that it is chromo!

Mr. Battey.—Yes. In connection with the other paper M. G. Poster (shown) the present price is about £25 at the mill and is about £27-15 in

India. That is Continental and you will be interested in its particularly fine colour.

President.—Another point has been raised by the mills in regard to casing glazed on both sides. They say that it is not always used for purposes of wrapping (sample shown).

Mr. Battey.—Is this a substitute for what they call account book paper? If it is hard-sized, it is possible it might be used. I have always understood that that particular paper demands a really nice shade of buff.

Mr. Rahimtoola.—This might be competing with buff or badami paper.

Mr. Battey.—I rather doubt it.

President.—You do not know of much coming in.

Mr. Battey.—I have heard of it, but I do not know.

Mr. Rahimtoola.—What would be the price?

Mr. Battey.—I do not know.

Mr. Rahimtoola.—Could you make enquiries and let us know the price for yellow casing paper which is coming from Germany?

Mr. Battey.—Yes.

Mr. Rahimtoola.—You have received a copy of the representation from the Paper-Makers' Association?

Mr. Battey.—Yes.

Mr. Rahimtoola.—In reply to question 53 they have proposed certain amendments to the Classification Schedule. I wonder whether you have given any consideration to that. This is the addition proposed after the word per sq. meter: "Except white and buff or badami and glazed white or buff casing or white and buff manilla"

Mr. Battey.—White or buff casing is fairly clear. Could you give us a description of manilla?

Mr. Rahimtoola.—Manilla is packing paper.

Mr. Battey.—But made from sulphite.

Mr. Rahimtoola.—You will find it in the Tariff Schedule—"Manilla, machine-glazed or unglazed and sulphite envelope".

Mr. Battey.—I do not know of any manilla coming.

Mr. Rahimtoola.—There is tariff valuation of 1 anna 11 pies per lb.

Mr. Battey.—Yes.

Mr. Rahimtoola.—You might think it over and let us have an answer later on.

Mr. Battey.—Yes.

President.—Have you got a copy of the Classification Tariff Board's Report?

Mr. Battey.—Yes.

President.—Would you turn to page 21. This is the recommendation of the Classification Board in 1936, and the changes they proposed are in italics. The Government of India have accepted the Classification Board's recommendations, but they said that those items that required legislation could be left over. In regard to those which required administrative action, administrative action has already been taken. In regard to the things which required legislation things were going on as before. In item 44 you will find "envelopes made of writing paper".

Mr. Battey.—They are protected at present. So we have no objection to that.

Mr. Rahimtoola.—Then we have exempted all coated papers.

Mr. Battey.—Except art paper. That was our suggestion.

President.—That means extending protection to all art paper.

Mr. Battey.—Including mechanical art paper.

President.—I think the view then taken was that real art paper would be very expensive with the protective duty.

Mr. Battey.—I think it excludes mechanical art.

President.—70 per cent. and over.

Mr. Battey.—More than 70 per cent. would still come under the revenue duty.

President.—That is correct.

Mr. Battey.—Yes.

President.—The next item is 44 (3).

Mr. Battey.—I would like to have time to consider that.

President.—You will consider it with reference to what the Paper-Makers' Association say. We discussed that with them. In regard to this question of deep blue paper they propose to add the word "wrapping". We pointed out that there was not very much point in that. If it was really deep blue, it would not be used for writing or printing? If it is lighter blue, it would be used. I think the Association were inclined to agree that it was an unnecessary change.

Mr. Battey.—Yes. We will send in our reply later.

President.—A point has been raised that a certain kind of badami paper coloured differently is being imported. Have you come across any of that?

Mr. Battey.—In what way?

President.—It is ordinary badami paper, but it is coloured pink.

Mr. Battey.—The imported badami is nothing less than stained news. Actually you could colour it to any colour you like. It is rather peculiar, but I understand the importers were the first people to create a demand for badami. Eventually the demand for it grew and the Indian Mills started making it. It would be quite possible if anybody was prepared to, to use pink instead of buff shade.

President.—This paper is being used for writing.

Mr. Battey.—If it is used for writing, it comes under the protective duty. Under the present ruling, it doesn't matter in what colour it comes. If it is soft-sized, it comes under the 70 per cent. mechanical pulp rule.

Mr. Rahimtoola.—Our recommendation with regard to buff and badami is irrespective of the furnish provided it is 7½ lbs. demy.

Mr. Battey.—I don't think there is any 7½ lbs. demy paper coming in.

President.—Not imported here but in Bombay.

Mr. Battey.—It is like kite paper.

President.—It is very thin, but slightly better than that. Deep blue paper could be used for kites. Please look at page 11 of the Classification Tariff Board's Report. There are one or two points on which I would like to have the views of your Association. Writing paper is subject to a specific duty of one anna three pies or 18½ per cent. *ad valorem* whichever is higher. In regard to printing there is no alternative. Is any printing paper coming in which would pay more than one anna a lb.?

Mr. Battey.—I do not know of any. There might be odds and ends. In regard to writing paper we get high class ledger paper.

President.—It is obviously writing paper. I was not quite certain supposing you put the alternative duty of 15 per cent. *ad valorem*, whether that would really affect any printing paper. Nothing would come under the *ad valorem*.

Mr. Battey.—No.

President.—Supposing it was one anna a lb. or 15 per cent.

Mr. Battey.—I don't think any printing paper is coming in at that price.

President.—Another point has been raised. The alternative duty is 15 per cent. When the alternative duty is put and when the revenue duty is

raised to 20 per cent. or a higher level, that change is not made in the alternative duty. So in a sense some classes of paper may be coming in cheaper than the standard 20 per cent.

Mr. Battey.—18½ per cent. still holds good.

President.—Paying less duty if they were classed as revenue and not as protected.

Mr. Battey.—Yes.

President.—In the case of writing paper, if that change were made, it would affect a fair amount of paper.

Mr. Battey.—We will have to enquire and find out.

President.—Taking the basic duty at 20 per cent. instead of 15 per cent. as the alternative.

Mr. Battey.—Quite. Going back to the point—this applies particularly to the printed letter headings—the contention of the printers is that printed letter headings came in and paid only the duty on paper. At that time it was introduced to ensure that printed headings would pay duty not only on paper but on the value of the letter headings including printing. It does not affect writing paper.

Mr. Rahimtoola.—Because the price would be too prohibitive—Rs. 900 a ton exclusive of duty.

President.—The question has been raised by the Printers and Publishers in regard to the admission of printed sheets free.

Mr. Battey.—That is a point we have always contended that Government protects the paper manufacturer and competes with the Printer. I am afraid it would be very difficult to convince the Assembly that printed books should be subjected to the duty.

President.—I am dealing with printed sheets.

Mr. Battey.—Printed sheets are better than books. The Board used the same argument in connection with pulp that it is better to bring the pulp and manufacture it into paper. At least the binding is done with Indian labour.

President.—The contention of some of the printers is that if this exemption is abolished, more printing would be done in India. The question of binding would be less important than the question of printing.

Mr. Rahimtoola.—The proposal is that a protective duty should be levied on printed sheets.

Mr. Battey.—It would deprive the book binders in India of some of the work which they are getting now.

President.—On the other hand the printers say that instead of having the sheets printed in England, they would be printed in India.

Mr. Battey.—Complete books are free now.

Mr. Rahimtoola.—Is it not an indirect method of bringing paper into India?

Mr. Battey.—The duty on all printed matter would put up the cost and encourage real competition.

Mr. Rahimtoola.—At present that paper is admitted free.

Mr. Battey.—Yes, if it is printed.

President.—The contention of some of the printers is that in the last 20 years or so they have lost a good deal of printing work.

Mr. Battey.—I am not surprised.

President.—They have done so far as to suggest that at any rate a revenue duty should be put on books.

Mr. Battey.—Even with the revenue duty, the cost of cheaper kinds of paper is very much higher here than in Europe and therefore if one wants to get printing cheaper, it may be obtained from the Continent.

President.—Would you be in favour of a duty on books?

Mr. Battey.—Personally, yes. I do not know what the Association will say.

Mr. Rahimtoola.—I don't think you are concerned with that in any way.

Mr. Battey.—No.

President.—It does not really arise from the point of view of the Association.

Mr. Battey.—I am really suggesting that if paper is protected, then the article made of paper should be protected as well.

President.—Another point raised by the printers is the admission of trade catalogues which are at present admitted free.

Mr. Battey.—Free by post.

President.—Packet, book or parcel post—free. I suppose you are not really concerned with that matter as an Association.

Mr. Battey.—Mr. Staines is just saying that a duty has to be paid on advertising circulars. Although they are advertising matter, actually duty is payable on them if they are not in bound form.

Mr. Staines.—These come in loose sheets.

President.—Do they have to pay duty?

Mr. Battey.—Yes.

President.—In bound form they are admitted free.

Mr. Staines.—Yes.

Mr. Rahimtoola.—According to the actual wording of the item in the Tariff Schedule, catalogues imported in the form of a book are exempted from duty.

President.—Perhaps we might now deal with the question of tariff valuation which you have raised. It is not exactly open to the Tariff Board to make any recommendations in that regard but it is possible that the Board might touch on that.

Mr. Battey.—We hope that you will be able to deal with it under classification because we think that certain classes of paper should be defined in the Tariff Schedule for market values.

Mr. Rahimtoola.—It is not our business unless protection is negated or becomes excessive.

President.—At any rate we can hear your representation on the subject.

Mr. Battey.—All that we want is uniformity at different ports. We do not like market values. We would much prefer to see tariff values.

Mr. Rahimtoola.—Tariff values are fixed after an all-India enquiry by the Director General of Commercial Intelligence. They are not confined to any one port.

Mr. Battey.—The position here is that the Collector admits on market values in many cases whereas in other ports duty is assessed on invoice value.

Mr. Rahimtoola.—When tariff values are fixed in many cases, no market value is taken into account in assessing the duty.

Mr. Battey.—We want tariff values but not market values, in the case of main classes of imports.

Mr. Rahimtoola.—As far as the protected quality is concerned?

Mr. Battey.—We are not really referring to the protected quality.

Mr. Rahimtoola.—I don't think that it comes within our purview.

President.—Special tariff values have recently been fixed for various articles in the same way as in regard to newspaper by the Government of India after such enquiry as they think proper.

Mr. Rahimtoola.—With reference to your reply to question 18 where you have said the protective duty should be Rs. 90 per ton, I want to know how you arrived at that figure?

Mr. Battey.—We came to the conclusion that the original demand was for 25 per cent. on the average current price which we consider is a fair one. If you take 25 per cent. on £28 per ton, it will be about Rs. 90.

Mr. Rahimtoola.—Is that the present price?

Mr. Battey.—Yes for English paper.

Mr. Rahimtoola.—Present prices are rather abnormal.

Mr. Battey.—The present price is probably £24.

Mr. Rahimtoola.—I am told that the present import price for the bulk of the production comparable to white printing and creamlaid is about £25 a ton.

Mr. Battey.—I think it is about £27 per ton.

Mr. Rahimtoola.—The Continental prices are much cheaper.

Mr. Battey.—At the mill?

Mr. Rahimtoola.—No. The present c.i.f. price is about £25.

Mr. Staines.—That is f.o.b. According to the new convention referred to by us, the c.i.f. price will be £27 to £28.

Mr. Rahimtoola.—It all depends upon the price of wood-pulp.

Mr. Staines.—They are using pulp sold at a higher price.

Mr. Rahimtoola.—That is only for 12 months. If we give protection it would be for a period longer than 12 months.

Mr. Battey.—The point is that we cannot prophesy.

Mr. Rahimtoola.—Usually when the Board grants protection, unless they take the realised price, they generally take the import price and the fair selling price. The import price cannot be taken, if it is abnormally high or low. Only the average price has to be taken into account. The Continental people were able to sell between £18 and £20 in normal times.

Mr. Battey.—For £18 we are getting back to 1925-26.

Mr. Rahimtoola.—What would be the normal price?

Mr. Battey.—I should think the present price would probably be somewhere about right. The drop that has taken place has more or less taken away the boom effect.

Mr. Rahimtoola.—But the tendency is for the prices to go lower still.

Mr. Battey.—As I have already told you, the opinion of the leading manufacturers is that they would rather shut down than reduce the price. We actually cannot prophesy. Prices may go down and they may also go up.

Mr. Rahimtoola.—Is there any direct relation between the wood-pulp price and the price of paper?

Mr. Battey.—Generally speaking, yes, but not at the present moment.

Mr. Rahimtoola.—Supposing the price of wood-pulp was £11, how much would be the price of paper?

Mr. Battey.—I should like to go into that.

President.—Another point that has been raised by the Papers Makers' Association is the idea of a sliding scale of protection based on the price of pulp.

Mr. Battey.—I do not know why they chose pulp. That would destroy all initiative on their part. There would be no attempt on their part to improve. Competition is the only thing which would encourage them to achieve their object in life.

President.—It was said that if you had it based on the price of imported pulp, it would bring down the degree of protection to a reasonable level. Supposing the price of pulp fell, the price of paper would fall and with it the degree of protection.

Mr. Battey.—I thought that they wanted a certain basic price fixed for the local selling rate.

Mr. Rahimtoola.—They want the fair selling price to be fixed and the duty to be adjusted according to the prevailing market price of pulp.

Mr. Battey.—I don't think anybody would know where they were.

Mr. Rahimtoola.—It is suggested that it should be fixed every 6 months. Six months is rather short. Would a year do?

Mr. Battey.—I should like to think it over. We generally place orders 9 months ahead. If the duty suddenly goes up, we would be hit. I don't think that it will at all work.

Mr. Rahimtoola.—In your representation you have given Rs. 6 as the landed cost and in another place Rs. 7.

Mr. Battey.—I started off with Rs. 6.

President.—That was the figure taken by the previous Tariff Board.

Mr. Battey.—Yes.

President.—In some of your appendices you have given Rs. 7. At any rate do you agree that Rs. 6 is a reasonable figure?

Mr. Battey.—Yes.

Mr. Rahimtoola.—In Annexure A you have given a price of £36 for bond paper. Has the price gone up as high as £13 in one year?

Mr. Battey.—Different classes of paper were affected.

Mr. Rahimtoola.—This is the average class. It is a very big rise compared to others.

Mr. Battey.—We agree that there was a big rise. I shall, however, look it up and let you know.

President.—Regarding the question of surcharge, which gives a kind of fortuitous additional protection: of course, the previous Tariff Board found that a specific duty of one anna per lb. was sufficient. Since then, the cost of production of the established mills has come down: so the logical conclusion of that is that at any rate no more protection is required than one anna per lb. Of course the position of the new mills is different. They are just starting and in the beginning they will have their difficulties as all new enterprises have, and they claim that they would require 1 anna 3 pies per lb.

Mr. Battey.—Our contention would be that new mills as such would not be entitled to it if a similar mill is not entitled to protection. The exception we make is in regard to new classes of paper manufactured and that would have to be investigated on its merits. A new mill making M. F. bamboo papers is entitled to the protection enjoyed by the previous ones. Similarly, for other classes already manufactured, he is only entitled to one anna otherwise we shall be very old men before protection is abolished, as every four or five years new mills will come into existence and will make the same claim expecting their case to be specially considered. Of course, if a mill makes something different it is entitled to have its case considered. The paper industry has been going on in India for 50 years. In the case of new classes of paper they may have some difficulty but it should not be insurmountable. They went into the business with their eyes open: obviously they floated their companies with the knowledge that protection might be withdrawn or reduced or might remain stationary and they were prepared to take the risk. In respect of those mills who are making plain M. F. or supercalendered printing we say that what other mills are getting they should also get as their mills can profit by the previous experience of the other mills.

President.—The old mills do not claim that they need the surcharge. They have enjoyed fortuitous protection for six years. Are there any other points that you would like to raise. As regards individual mills you have some idea of what their representations are. If in the light of the general representation put in by the Paper Makers' Association you wish to raise any further point we shall be glad to hear it.

Mr. Battey.—There is just one figure: I just worked on these two prices of As. 2-9 and As. 2-11 which is equal to Rs. 393 and Rs. 408 per ton respectively. I have here a price of £24 a ton c.i.f. on which they would be satisfied with a protection of Rs. 69 in the case of India Paper-pulp and Rs. 84 in the case of Titaghur Paper Mills.

Mr. Rahimtoola.—They have taken a sliding scale and they say if the wood-pulp price is over £16 then they require only a revenue duty of 20 per cent. If it went down to £11 they would want one anna a lb. If it is £16 the price of corresponding imported paper would be £25-9 and in that case the duty would be Rs. 70 and if it was above £16 it would be governed by the ordinary revenue duty.

President.—As regards the amount of protection we have got to go into all their cost figures and find out what their figure is and compare it with the import price. It is very largely a question of facts and figures. We cannot naturally take any price in any particular year because that may give overproduction in one year and underproduction in another year. We have got to take an average unless we take a sliding scale. We have seen the difficulties about the sliding scale.



16. Calcutta Paper Traders' Association, Calcutta.

A.—WRITTEN.

- (1) *Letter dated the 31st January, 1938, from the Calcutta Paper Traders' Association, 167, Old China Bazar Street, Calcutta.*

With reference to your letter No. 22, dated the 6th instant, addressed from Poona Office, my association is submitting its replies to the questionnaires with the said letter.

As regards classification of paper it is fairly well done and therefore we have nothing to suggest further save and except one point in which we do not agree with the decision, as such we submit that the Printing Papers may also be hard-sized and as a matter of fact all good class of Printing Papers are hard-sized and common newspapers may be soft-sized, so anyhow sizing is necessary when producing printing papers. The body paper of the Art Paper is also hard-sized.

As regards continuance of Tariff our association beg to submit that the original recommendation of the Board at As. 1 per lb. duty added with Landing, Packing, Insurance, intermediate profit by the middlemen, was itself heavy protection against any possible competition by the foreign countries and further additional surcharge of 3 pies per lb., helps the Paper Industry to make a very big profit and thus attracted the public to rush all on a sudden for starting new mills here in India threatening the possibility of inter-competition owing to overproduction. It is however noticeable that at the time of the first enquiry the production of the Indian Mills was near about 20,000 tons a year while the present estimate is about 50,000 tons. And the present position of Indian Paper Makers is that in most cases even the biggest paper mills can not make deliveries earlier than 4 to 6 months from the date of the receipt of the orders, from which it is evident that there is still room for mills under construction.

In addition to the natural expansion, when the Primary Education will be compulsory there will be still more room for Indian made papers. Besides if the present Indian Mills' prices, which have been kept artificially high, be reduced to a certain extent, the use of the paper will be much more increased. In a rich country like England who are using imported pulp of a high cost for their papers and selling at a cheaper rate there, we expect in a poor country like India where raw materials and labour are cheap the paper prices will also remain cheap.

In case it is actually observed that there is overproduction our suggestion is that there should be some control by the Board over the mills either by restricting production or by helping with subsidy out of the extra duty realised by the Tariff to the new mills who produce other class of paper which is presently not protected. Further we beg to draw particular attention of the Board to the fact that though Burma is separated from India, the import duty for both the places should remain the same.

Answers to questionnaires.

1 & 2. Creamlaid, Bank I. F. & M. F. Printing and Bombay Account Book Papers, etc., do compete with Indian made papers of which prices are given as per annexed sheet.

As regards Indian Mills' quality up-country prices are calculated on the basis of Calcutta prices *plus* special freight for up-country stations, Madras, Bombay, Rangoon prices are cheaper by 1 to 2 pies per lb. than Calcutta prices.

3. Yes. The price for imported paper is higher and it is due to better finish, cleanliness, strength, shade, etc.

	Freight paid by us per lb.	Freight paid by mills per lb.
	Pies.	Pie.
4. Patna	2	1
Benares	2-3	1½
Allahabad	2-7	1½
Cawnpore	3-7	1½
Delhi	3	1
Lahore	4	1
Lucknow	8	1½
Agra	4-1	1

5. No. We do not suppose the foreign producers sell anything below their cost of production. The price for Woodfree, M. G. which is unprotected and price for S/C, and other printing (protected) manufactured out of same class of pulp, is always maintaining a relation and from that it can be judged that there is no special concession given for fighting the protection.

	1936.	1937.
	£ s.	£
Price for M. G. Poster	18 10	24
Price for S/C Poster	21 0	27

6. Foreign prices in almost all ports are practically same, there may be slight difference only by 2s. 6d. to 2s. per ton in freight but local mills' prices are cheaper in ports away from Calcutta.

7. Detailed prices may be obtained from Paper Makers Association. Our reply may be seen in answer to question 2.

8. Yes. Grass and soda process Bamboo Papers are fetching a little higher price and Sulphite Bamboo process a little less and that is due to somewhat lower quality.

9. No such appreciable variation is observed.

10. We do not find any sort of remarkable improvement during the last six years.

11. Yes. In other ports in cases where Tariff value has not been fixed, duty is assessed on invoice value but here in Calcutta Port the highest market value is insisted upon, i.e., besides invoice value we are to pay duty on Incidental Charges for clearing on profit on other charges such as storage, etc. This system should be discontinued and if possible duty is to be levied either on invoice value or on Tariff value for all the ports. That is, one fixed principle should be maintained in every port. Besides in some cases of import, during the last boom period of 1937 when the market value of all classes of paper rose abnormally, M. G. Manilla Paper a thing having fixed Tariff value which was imported specially for manufacturing envelopes was caused to be paid duty on invoice value *vide* I. D. No. 4124 of 19th August, 1937, and because the invoice value was higher than the Tariff value.

12. For determining the percentage of M. W. P. there exists no more trouble now-a-days save and except one or two occasions in the last year.

As to distinguishing printing and writing by "sizing test" we must say that "pen" and "ink" is quite alright for customs purposes. But we protest against finding of the Tariff Board for distinguishing printing paper when that is unsized.

13. The duty on imported Wood Pulp has encouraged to develop the Bamboo Pulp Industry in India to a great extent, but Wood Pulp is also necessary in producing better grade printing and writing like Bank and Ledger to give sufficient strength as required by this class of paper.

14. The recent Wood Pulp prices are increased but that increase we presume, is not affecting Indian Paper Makers who are using only a portion in their furnish, and when their selling price is pretty high.

14. We cannot foretell what would be the actual position of foreign prices but so far our information goes in case of Wood-free papers the European Makers have formed a ring to maintain prices.

15. As almost all the mills have got their own Pulp making arrangement so separate Pulp Mill will not find market in India. Until there will be real shortage in Wood Pulp in Europe or Eastern countries like Japan, Pulp exporting will not be a favourable proposition.

16. At present the total Indian production will be about 52,000 tons a year against the demand of about 65,000 tons against protected papers. And with the advancement of compulsory education the demand will be great but it depends upon cheapness of paper.

17. No special information. But the higher price of paper is handicapping the poor people to educate their children and use more paper.

18. Protection should be continued as recommended by the Tariff Board, i.e., one anna without surcharge just to help the new Mills to grow.

19. The classification of paper as proposed by the Tariff Board in 1936 is fairly satisfactory. No further modification is needed until it is found otherwise.

20. In our opinion the existing surcharge on protective and revenue duty should be totally abolished for reasons stated above.

We are submitting this information at our disposal at the time of sending this representation and shall be pleased to give you further information by oral evidence if the Board deem it necessary.

Lastly, we are thankful to the Government of India for their kindly inviting our views which we have stated herein at length in the above paragraphs and which we hope, will not fail to receive your Board's due consideration.

सत्यमेव जयते

Description.	Year.	C.I.F. rate per ton.	Value @ 1s. 6d. per rupee.	Duty per ton.	Landing and Incidental charges per ton.	Cost per ton.	Correspond- ing prices for local mills' quality per ton.
		£ s.	Rs. A. P.	Rs.	Rs.	A. P.	Rs.
Creanlaid	1931	25 0	333 5 4	175	7	515 5 4	468
	1934	20 10	273 5 4	175	7	455 5 4	438
	1935	19 0	253 5 4	175	7	435 5 4	438
	1936	20 10	273 5 4	175	7	455 5 4	438
	1937	27 5	363 5 4	175	7	545 5 4	488
I. F. Pig.	1931	25 0	333 5 4	175	7	515 5 4	470
	1932	24 0	320 0 0	175	7	502 5 4	470
	1933	21 0	280 0 0	175	7	462 0 0	438
	1934	21 0	280 0 0	175	7	462 0 0	438
	1935	20 10	273 5 4	175	7	455 5 4	438
	1936	21 0	280 0 0	175	7	462 0 0	438
	1937	29 0	386 10 8	175	7	568 10 8	488
Bond Paper	1931	33 0	440 0 0	175	7	622 0 0	..
	1932	24 0	320 0 0	175	7	502 5 4	496
	1934	23 0	306 10 8	175	7	489 0 0	470
	1935	23 0	306 10 8	175	7	489 0 0	470
	1936	23 0	306 10 8	175	7	489 0 0	470
	1937	36 0	480 0 0	175	7	662 0 0	630
	1932	24 10	326 10 8	175	7	508 10 8	442
Account Book	1934	21 0	280 0 0	175	7	462 0 0	442
	1935	21 0	280 0 0	175	7	462 0 0	442
	1936	29 0	386 10 8	175	7	568 10 8	470

(2) *Letter dated the 19th Februry, 1938, from the Calcutta Traders' Association, 167, Old China Bazar Street, Calcutta.*

With reference to the meeting of the undersigned with your Mr. Rahimtoola we beg to enclose herewith a list which we supply to the Collector of Customs of Calcutta for ascertaining market value prevailing in the Calcutta market. As these are the main items, I think if Tariff value for similar list is fixed throughout Indian Port it will remove our grievances regarding the competition by the importers of other Ports to come in within economic limits of this port.

List.

1. M. G. White Tissue Paper.
2. M. F. White Tissue Paper.
3. M. G. Coloured Tissue Paper.
4. Super White Tissue Paper fully Bleached.
5. M. F. Superior Co. Tissue Paper.
6. Coloured Glazed 40/50 grams 18" x 22".
7. Coloured Glazed 40/50 grams 20" x 30".
8. M. G. Nature Brown 25 grams and below.
9. Unglazed Greaseproof paper No. 1.
10. Unglazed Greaseproof paper No. 2.
11. Unglazed Coloured Demy short size.
12. Transparent Half-bleached No. 3.
13. Transparent Bleached No. 2.
13. Transparent Bleached No. 3.
14. Transparent Bleached No. 3.
15. Coloured Flint paper 20" x 30".
16. Coloured Flint paper F. Cap.
17. M. G. White and Coloured Poster Paper.
18. M. G. Green and Blue Match Paper.
19. Drawing Cartridge Paper.
20. M. G. Coloured Sulphite Mechanical.
21. M. G. Coloured Sulphite Pure.
22. Chrome Art Paper Woodfree.
23. Chrome Art Paper Mechanical.
24. Mechanical Art Paper.
25. Glazed Tinted.
26. Unglazed Tinted.
27. M. G. Pressing thick.

(3) *Letter No. 892, dated the 7th April, 1938, from the Tariff Board to the Calcutta Paper Traders' Association, 167, Old China Bazar Street, Calcutta.*

The Tariff Board has received from the Calcutta Paper Import Association a copy of the market value of certain papers approved by your Sub-Committee in a meeting held on the 26th March, 1938, I am directed to request that c.i.f. price per ton of the papers mentioned therein may kindly be supplied to the Board.

(4) Letter, dated the 25th April, 1938, from the Calcutta Paper Traders' Association, 167, Old China Bazar Street, Calcutta.

With reference to your No. 392. dated the 7th April, 1938, I beg to enclose herewith a list showing c.i.f. prices per ton of the papers against market value passed in the meeting of our sub-committee on the 26th March, 1938.

Market Price List.

	C.i.f. Price per ton and Ream.
	£ s. d.
1. M. G. Fully Bleached White Tissue Paper D/Crown	34 0 0
2. M. G. White Tissue Paper	24 0 0
3. M. F. White Tissue Paper (semi-bleached)	36 0 0
4. M. G. Coloured Tissue Paper	29 0 0
5. Superior quality White Tissue Paper (fully bleached)	44 0 0
6. M. F. Superior quality Coloured Tissue Paper	0 3 5 Ream
7. Coloured Glazed 40 to 50 grams 18×22	15 10 0
8. Coloured Glazed 40 to 50 grams 20×30	15 10 0
9. M. G. Nature Brown 25 grams and below	20 0 0
10. Unglazed Grease Proof Paper No. 1 D/Crown	31 15 0
11. Unglazed Grease Proof Paper No. 2 . . . . .	...
12. Transparent Bleached Paper No. 1	44 0 0
13. Transparent Bleached Paper No. 2	42 0 0
14. Transparent half bleached No. 3 . . . . .	...
15. Coloured (Short size) Demy	24 8 0
16. Coloured Flint Paper 20×30	0 9 3 Ream
17. Coloured Flint F'Cap	0 8 7½ "
18. M. G. White and Coloured Poster Paper	24 0 0
19. M. G. Green and Blue Match Paper	20 0 0
20. Drawing Cartridge Paper	25 0 0
21. M. G. Coloured Sulphite Paper (Mechanical)	21 0 0
22. M. G. Coloured Sulphite Paper Pure . . . . .	...
23. Chrome Art Paper and Wood Free	34 0 0
24. Chrome Art Paper Mechanical	32 0 0
25. Mechanical Art Paper	37 0 0
26. Glazed Tinted Unglazed Tinted and M. G. Pressing Thick	15 0 0

**Evidence of Messrs. R. N. DUTT, C. C. MUKHERJI, B. R. V. RAO
and K. C. GHOSH, recorded at Calcutta, on
Thursday, 17th February, 1938.**

B.—ORAL.

President.—Will you please tell us what you represent?

Mr. Mukherji.—We represent the Calcutta Paper Traders' Association.

President.—I think some of you were present while the importers were being examined yesterday?

Mr Rao.—Two of us were present.

President.—You have raised the question about the sizing of paper. The only way in which it has been possible to distinguish writing paper from printing paper is by the writing test.

Mr. Mukherji.—Yes. But that is not reliable.

President.—Can you suggest anything better? Nobody has so far been able to suggest a better test.

Mr. Mukherji.—We have written to many people in the Continent, but they all say no test is reliable. There are some 70 tests altogether and none of them can be relied upon! It is somewhat a matter of opinion whether a paper is hard-sized or soft-sized.

President.—We have been confronted with that difficulty all along. Various people have said that this is not a satisfactory test, but when we ask them what other test they would suggest they say "we cannot suggest anything better". You are not able to suggest anything better.

Mr. Dutt.—In the ordinary way the pen and ink test is all right.

Mr. Mukherji.—It is a matter of opinion: some ink might spread, some won't.

Mr. Rao.—If the paper is $\frac{3}{4}$ hard-sized or half hard-sized it is very difficult to say.

Mr. Mukherji.—There are some mills in Austria which do not manufacture any sized paper at all. Some amount of sizing is however necessary especially for newsprint which has to pass through rollers to give a certain amount of strength.

Mr. Rao.—The difficulty arises this way. Supposing a consignment comes in of paper which is $\frac{3}{4}$ sized, it pays a lower rate of duty and if it is fully hard-sized it comes under the protective duty. We claim in that case that a certain consignment of paper should come under the lower rate of duty and when we find that the Customs assess them at a higher rate then it becomes a problem for us.

President.—We have been informed by the Customs people that there have been no disputes during the last year.

Mr. Rao.—Yes, but there is always the possibility.

President.—Yes, but you have not been able to suggest a better test.

Mr. Mukherji.—Unfortunately even the manufacturers have not been able to suggest a better method.

President.—We consulted some of the chemical experts and even they cannot suggest a better test. That is the position. Turning to paragraph 3 of your representation, what do you estimate the landing charges, etc., to be above the c.i.f. price of imported paper?

Mr. Mukherji.—Rs. 7 per ton on the average.

President.—Rs. 6 has been suggested by some people and Rs. 7 by others.

Mr. Mukherji.—The importers suggested Rs. 6.

President.—Do you think that is adequate?

Mr. Dutt.—I think Rs. 7 will be the more correct figure.

President.—What will be the details of the Rs. 7?

Mr. Dutt.—We will submit details later.

President.—The last Tariff Board took Rs. 6 for landing charges, etc. If you think it should be Rs. 7 we would like to have the details.

Mr. Dutt.—Yes. There is the cartage from the jetty to our stores.

President.—About the present production of the mills and the probable future production I gave you some figures when we examined the importers yesterday. The present capacity of what we may call the old mills is 49,000 tons per annum.

Mr. Dutt.—Including Shree Gopal we have taken 52,000.

President.—We have taken Shree Gopal as a new mill. If you take that mill it will be 56,000 tons. The capacity they give is 7,500 but they have not yet reached their full capacity. However we had better take 49,000 tons for the Titaghur, Bengal, India Paper Pulp, Deccan Paper and the Upper India Couper Paper mills. Taking the new mills, Shree Gopal, Andhra, Rohtas, Gujerat, Star, Mysore and Orient—their ultimate capacity will be about 35,000 tons. But of course they are not likely to reach that for a year or two: it was suggested yesterday that by the end of the year possibly there may be 20,000 tons extra. Of course we cannot be sure of that.

Mr. Dutt.—Yes.

President.—When these new mills come into operation, the supply of protected varieties of paper will be more than the present demand according to the figures of import. Taking the total amount of protected papers produced in India and imports together, the new mills would more than meet the full demand in which case it would appear that within a year or two internal competition will come into play.

Mr. Rao.—It is bound to come into play. As far as I can make out it will start from 1939.

President.—These mills say that they are going to start in June but they generally delay in starting and there may be difficulties in working. We have been informed that during the recent rise in the price of imported paper the mills did not increase their price to the same extent.

Mr. Dutt.—That is a fact, but that rise in Europe was somewhat speculative. It rose within a few months and also dropped very quickly as a result the importers lost very heavily.

President.—They didn't increase their prices to the same extent.

Mr. Rao.—To a certain extent they increased their prices, but not to the full extent as was done by the Continental mills for instance.

Mr. Dutt.—Otherwise they would have to adjust like the foreign mills. European prices have dropped down almost to last year's prices.

President.—Have the Indian mills reduced their prices since that drop?

Mr. Dutt.—No.

President.—They are keeping to the same level.

Mr. Mukherji.—They cannot supply.

Mr. Rao.—That possibly is the reason why they are keeping up their prices.

President.—The demand is more than the supply.

Mr. Rao.—Yes. They take 4 to 6 months to supply.

Mr. Mukherji.—They don't fix the price in the contract. They say the price will be fixed at the time of supply.

President.—In paragraph 5 you suggest that there ought to be some control over production.

Mr. Dutt.—Yes, as in the case of Jute Mills which curtail working hours. If actually there is overproduction, then to maintain the price they will have to do something.

President.—Do you think that that should be done by Government action?

Mr. Dutt.—Either by Government action or by the mills themselves. The old mills are well established and they can compete with the new mills any time they like and that must not be allowed to happen.

President.—How do you suggest that should be prevented?

Mr. Dutt.—Either they should arrange it mutually or there should be Government control.

President.—What kind of Government control do you suggest?

Mr. Dutt.—We have submitted that suggestion, but in what manner it is for the Board to decide.

Mr. Mukherji.—Such a situation has not yet arisen.

Mr. Rao.—Though there is a possibility of it in the near future.

Mr. Ghosh.—The whole argument rests upon this that the demand will be the same. It is quite possible that with the introduction of compulsory education, the demand for paper will be much more than what we are calculating upon now. It may not at all be necessary to raise this question of control when it will be found that the demand may be much more than what it is now.

President.—The question of control is what may be called problematic.

Mr. Ghosh.—If the situation demands and if the output is more than the demand, then it will be a matter for consideration. This is not the time to go into the question of control.

President.—As an alternative you suggest some sort of subsidy to the new mills. The Government of India was opposed to that idea. The previous Tariff Board suggested some kind of subsidy in the earlier stages of protection, but that was rejected by the Government of India, and the Tariff Boards, generally speaking, are reluctant to recommend any kind of subsidy and the Government of India are certainly on principle opposed to that idea. I do not know, I am not aware at the moment whether any sort of subsidy is being given. It is rather difficult to make out a case for subsidy.

Mr. Ghosh.—When we suggested the question of subsidy, what was in our mind was that these local mills—I mean particularly the Bengal Paper Mills, the Titaghur Paper Mills and the India Paper Pulp Company have got all the advantages of protection. Under the wings of protection they have improved their position as will be evident from the dividends given. Now it is our opinion that they are in a position to withstand the onslaughts of foreign competition, but the new mills which are cropping up may require some sort of protection in their infant stages. So we suggested that protection should be withdrawn and subsidy to newly started mills should be given. That was what was in our mind.

President.—It is very difficult to give subsidies.

Mr. Ghosh.—These mills have made their position quite safe.

President.—They must be naturally in a position of advantage over the new mills which have to try all sorts of experiments and have to learn by experience.

Mr. Rao.—In the Paper trade world the best equipped mills are not in a position to return a dividend of 7 to 8 per cent. by all sorts of possible economies and by the introduction of scientific methods, but these mills with some of their crude implements are declaring fabulous dividends as will be apparent from a reference to the Investor's guide.

President.—You are aware that the mills have been enjoying what may be called the fortuitous additional protection of 3 pies a lb.

Mr. Rao.—That was additional bonus given by the Government.

President.—And they have been making so much extra profit beyond what the Tariff Board recommended as a reasonable measure of protection.

Mr. Rao.—They wanted one anna and the Government of India gave 1 anna 3 pies.

Mr. Dutt.—They are also enjoying protection in the shape of freight to the extent of 3 pies a lb. I shall have to add 6 pies railway freight up to Delhi. But in their case they get special freight of 3 pies. That is an advantage over us.

President.—We are considering that point and we have asked for figures. Would you like to supply some comparative figures?

Mr. Ghosh.—We have already given figures.

President.—To return to a point which we left at the moment: Can you give an estimate of what will be the normal increase per year in consumption presuming that conditions are more or less normal.

Mr. Mukherji.—If the conditions are normal, we don't expect much rise in the demand for papers.

President.—You don't expect much rise?

Mr. Mukherji.—Rise in demand?

President.—That is what I am thinking of. Owing to the growth of population and one thing or another you do expect an increase in normal conditions. During the slump the consumption goes down and in boom period it goes up. I am thinking of ordinary conditions.

Mr. Ghosh.—With the spread of education the demand is naturally bound to go up.

President.—You are not prepared to give an estimate in tons?

Mr. Rao.—It is not possible.

President.—Of course we will try to arrive at some estimate by taking the consumption in the pre-slump period at somewhere 1929 and comparing the figures of the present consumption and seeing what the difference is. We will arrive at some figure that way. I suppose conditions in 1929 and conditions in 1937 might be considered more or less the same.

Mr. Mukherji.—Not much difference.

President.—We cannot do better than compare the two figures and divide that by the number of years and say the normal annual increase might be 1,000 or 2,000 tons.

Mr. Mukherji.—The figures are given by the local mills. When the enquiry was first started they gave the figure as 18,000 tons and it is now about 49,000 tons. That is the normal increase during this period.

President.—That is the normal increase in the production of paper. I am thinking of the total consumption, imported paper and locally produced paper together.

Mr. Rahimtoola.—In 1930-31 protected quality was 35,000 tons as against 48,000 tons. That means a difference of 13,000 tons.

President.—That means 2,000 tons a year.

Mr. Dutt.—With compulsory education the ratio will be much more.

President.—Possibly the annual normal increase may be larger.

Mr. Ghosh.—Yes. Another point to which I would like to draw your attention is that the price as maintained by the local mills is artificially high. If the price goes down, the chances are that the demand for paper may be greater.

President.—By reducing the price you might increase the consumption.

Mr. Ghosh.—The lesser the price the greater will be the consumption.

President.—In discussions yesterday with the importers, I explained that the cost of production of paper in India has been materially reduced since 1931 with up-to-date machinery and experience in the use of bamboo especially.

Mr. Ghosh.—Yes, bamboo prices are now very cheap.

President.—The price of raw bamboo has come down. It is very much lower than when they started.

Mr. Mukherji.—It is now Rs. 15 per ton.

President.—Rather more than that. Still you are quite right in saying that there has been a material decrease in the price. Your opinion is that if the price is reduced, it would stimulate consumption.

Mr. Ghosh.—That is our view.

President.—The Board also does take into consideration any freight advantage enjoyed either by the importers or by the local mills. Of course in ports it might be said that the mills might be at a freight disadvantage, for instance, in Bombay. On the other hand, up-country according to the figures you have given they are at an advantage. Both points of view have got to be taken into consideration.

Mr. Mukherji.—Yes.

President.—Speaking generally the old mills are more or less satisfied with the present range of protection. As regards the classes of paper that are protected, there are one or two suggestions made and one is in regard to drawing cartridge paper. It has been suggested that Indian mills do make drawing cartridge paper and therefore there may be a case for extending protection to cartridge paper. What are the views of your Association?

Mr. Mukherji.—The quality is not very good. It is much inferior to Continental cartridge.

President.—What is the weight of cartridge paper produced by the local mills?

Mr. Mukherji.—40, 45 and 48 lbs.—size 22" x 30".

Mr. Dutt.—The consumption of cartridge paper is very low and as the Board have given adequate protection to almost all the local mill papers, they willingly left this out. As a matter of fact, the parents of school going children are saving something out of the cost whenever protection is not given to any paper.

Mr. Mukherji.—Drawing cartridge is extensively used in schools for drawing. Its price should not be increased.

President.—Their contention is that drawing cartridge can also be written on or printed on and therefore it competes with some of the protected paper.

Mr. Mukherji.—It is not good for printing.

Mr. Dutt.—In the last enquiry we drew a line in consultation with the paper-makers as to which classes of paper should be protected. They agreed that they would not ask for protection for any cartridge paper of substance Demy 24 lbs. and up. That was settled in agreement with them and they should not now raise that question again.

President.—They have raised it and so we have to consider it.

Mr. Rao.—The quality of drawing cartridge manufactured by the local mills is inferior to the imported paper.

President.—Can it be used for the purpose for which it is required?

Mr. Rao.—It can be used.

President.—But it is inferior.

Mr. Rao.—Yes.

President.—What is the price of imported cartridge paper?

Mr. Rao.—£25 10s. c.i.f.

President.—Has that risen recently?

Mr. Rao.—Yes.

President.—What would be the normal price?

Mr. Rao.—£20 to £21.

Mr. Mukherji.—It may come down to that level.

Mr. Rao.—Last week we were buying at £24 10s. but there has been a recent increase of about £1 during this week.

President.—Does the price vary very much according to the different qualities of cartridge paper?

Mr. Rao.—Cartridge paper is generally being used for drawing purposes.

President.—I am talking of drawing paper.

Mr. Dutt.—There is not much difference.

President.—I take it that you are opposed to the sanction of protection to drawing cartridge.

Mr. Rao.—Yes, we are.

President.—The other paper for which the paper makers want protection is what has been described as casing paper, that is, wrapping paper glazed on both sides. The contention that has been put forward is that it is used for account books and so on and is really more in the nature of writing paper.

Mr. Dutt.—We have never imported any such casing paper.

President.—The distinction is that it is glazed on both sides.

Mr. Dutt.—Our opinion is that this can never be used for account book paper.

Mr. Rao.—It can never stand writing.

Mr. Ghosh.—Casing paper, as this is called, is not, so far as our experience of the Calcutta market goes, imported to be used in place of account book paper.

President.—Is it actually imported under the classification of casing paper?

Mr. Ghosh.—Not in Calcutta

Mr. Rao.—It is called wrapping paper and is being imported into Bombay.

President.—Admittedly its main use is for wrapping.

Mr. Rao.—This class of paper is mostly used by the cotton mills.

Mr. Mukherji.—It is not good for writing.

Mr. Rao.—It cannot be used in place of account book paper.

Mr. Ghosh.—This can never take the place of the account book paper. With due reference to the opinion of the paper makers, we have never seen this paper imported to be used in place of account book paper.

President.—Another point arises about the new mills. One of the new mills is contemplating to manufacture kraft paper. As far as we can discover, the importation of kraft and imitation kraft is in the neighbourhood of about 10,000 tons a year. Is that more or less correct?

Mr. Rao.—Yes.

President.—In how many qualities is kraft paper imported?

Mr. Dutt.—So far as the Calcutta market is concerned, it is all pure M. G. kraft.

Mr. Mukherji.—Very little imitation kraft is imported.

Mr. Rao.—The Bombay market is importing a good quantity of imitation kraft but the Calcutta market does not import. The percentage will be negligible.

Mr. Mukherji.—That is on account of the high price in consideration of quality.

Mr. Rao.—Small quantities of coloured kraft are being imported. They will form about 2 per cent.

President.—In order to see the possibilities some experiments have been made in the Dehra Dun Institute. Some kraft paper was made at the Institute on a small scale and some bamboo was sent to England to try some experiments. I would like you to show these samples (shown).

Mr. Mukherji.—This has not got the strength of real kraft.

President.—It has been made on a very small experimental scale, but it does not follow that the quality will be the same.

Mr. Dutt.—So far as the Calcutta market is concerned, 80 or 90 per cent. of kraft paper imported is of 39 grammes substance.

Mr. Rao.—The consumption of kraft paper above 39·1 grammes substance is very little. If 2,000 tons are imported, 1,800 tons will be of 39·1 grammes substance. Unless we have the sample of kraft paper manufactured by the local mills before us, we cannot give our opinion. But I can tell you from my own experience that the kraft paper manufactured by Finland, Austria and Germany is not equal to the standard maintained by the Swedish mill for the last so many years. Although these Austrian and German mills have been manufacturing kraft paper for the last 50 or 60 years, yet the standard has not come up to the level of the Swedish mills. That may be due to some secret process known only to the Swedish people. Unless we have kraft paper of 39·1 grammes substance manufactured by these mills, it will be rather difficult for us to express an opinion. Some of these samples are plain kraft. The quantity imported of that quality is negligible. Of course, the Bombay market is importing a certain percentage of plain kraft. It is even importing thinner quality. The thinner the substance, the more difficult it is for the mills to manufacture.

President.—As you know, they have not been able to complete the erection of their mill.

Mr. Rao.—These German mills who are in the market for the last 50 or 60 years are not in a position to compete with the Swedish paper. The best quality of kraft paper is manufactured by the Swedish mills. About 80 per cent. of the quantities imported into India come from Sweden.

President.—Would you like to see a representative selection of kraft papers given by the Custom Houses.

Mr. Dutt.—This is inferior (referring to a particular quality shown). The price which they are quoting is £22 10s. for the standard quality.

President.—Is much coloured kraft imported?

Mr. Rao.—Not much.

Mr. Mukherji.—Very little.

Mr. Dutt.—This is the colour (shown) in which the majority of kraft is imported.

President.—You may call that as the standard.

Mr. Dutt.—Yes. There is another design—crocodile design. One or two tons are being imported by consumers.

President.—What are the views of your Association about protection for kraft?

Mr. Rao.—They will not be able to manufacture the quality that is equal to imported ones and even if they manufacture, they will not be able to sell in competition with the imported qualities.

President.—Even if they had protection?

Mr. Rao.—That depends upon what quality they will be able to manufacture.

Mr. Ghosh.—That will have the effect of stopping the importation of this quality. The mills will not be in a position to manufacture the quality.

Mr. Rao.—We will have to find out in the first instance whether they will be able to manufacture this quality.

Mr. Ghosh.—They have all got old machines and if they come before the Board and say

President.—New mills propose to do it.

Mr. Ghosh.—When they have laid all their cards before you and when they have shown to your satisfaction after making all possible attempts they have not been able to compete with foreign countries, then it will be a fit case for consideration whether any protection should be given or not. They claim that they can make this class of paper. Let suitable machine be installed first and let them make an honest attempt to produce this class of paper. After doing all these things, if they find any difficulty in selling in the market at competitive prices, then it will be a fit case for consideration. Before that, it will be too premature to claim protection. That is our view.

President.—Now about the general quality of Indian made paper:

Mr. Mukherji.—Quality has been maintained in respect of some papers.

Mr. Rao.—In regard to ivory finish there is an improvement in quality.

President.—Is that super-calendered paper?

Mr. Rao.—Yes.

President.—And in the other qualities?

Mr. Rao.—Not much.

President.—Do you consider the quality unsatisfactory?

Mr. Rao.—They are being largely used in quantities because the prices are cheap. The qualities manufactured by the Indian mills do not come up to the standard of English or Continental mills. That may be due to the ingredients that are being used and the chemical process to which the paper is subjected.

President.—Have you seen any Indian paper made out of pure bamboo pulp?

Mr. Dutt.—We have never tested any paper to see whether it is made of 100 per cent. of bamboo.

President.—There are certain mills making only from grass. Is that paper superior to the paper made only from bamboo?

Mr. Mukherji.—Yes, superior in bulk and strength.

President.—Some mills are making only from bamboo and some from bamboo and grass. There are also other mixtures.

Mr. Dutt.—The India Paper Pulp Company's paper is a little bit inferior to that of Titaghur and Bengal. That may be due to the manufacture of bamboo pulp in a different way, i.e., by the sulphite process. We are not experts and we cannot give any opinion. But throughout India it is fetching a little lower price.

President.—In tariff enquiries, for instance in the recent sugar enquiry, the practice of the Board is to take the cost of manufacture and overhead charges and a reasonable allowance for profit, take that as the fair selling price and compare that with the imported c.i.f. price plus landing charges and take the difference as the measure of protection, if any, required. In the enquiries of 1925 and 1931 it was not found possible and so they took the realised price—price actually realised by the mill—as the standard. On this occasion the position is rather different. In 1931 there was only one mill manufacturing paper from bamboo pulp and another one had just begun. To-day there are 4 mills and in the course of this year there will be 4 more mills using bamboo either wholly or in part for the manufacture of paper. So we are in a position to make some comparison of the

cost of manufacture and arrive at an estimate of what the cost will be. It is therefore very important for the Board to know what can be taken as the import c.i.f. price *plus* landing charges for purpose of comparison. The difficulty is that there are so many qualities of paper, and it is not very easy to arrive at an average price. But, as far as possible, the Board would like to have some figures for the cost of the protected kinds of paper which are being imported, for purposes of comparison. Can you supply us the figures? You have given figures up to 1937. Of course the prices are now fluctuating and would be artificial, but would you be able to supply some later figures?

Mr. Mukherji.—Yes.

President.—In some cases you have given figures up to 1936 and in some up to 1937. Was that the beginning of 1937 or end of 1937? Could you let us have a few more recent quotations?

Mr. Dutt.—We will give you actual invoices.

President.—Give us figures for the same qualities that you have given.

Mr. Ghosh.—You want them in sterling or in Rupees?

President.—Give c.i.f. and then convert that into rupees and add landing charges and convert it into ton. It would be convenient if you could give us in the same form.

Mr. Ghosh.—Yes.

President.—Are your figures for Continental or United Kingdom or both?

Mr. Mukherji.—Both.

President.—The importers have given figures for cartridge paper as well. As the question of cartridge paper has been raised, give us figures for that also. They give figures for British paper wood free printing, creamlaid, cartridge and bond. You have given only creamlaid and bond. You might let us have cartridge as well.

Mr. Dutt.—All our imports of cartridge paper is confined to the Continental.

President.—It does not matter. You can specify whether it is Continental or British.

Mr. Dutt.—Yes.

President.—You have raised this question about invoice value or tariff value for all ports. I think the tariff value is the same for all ports.

Mr. Rao.—I think the tariff value is the same for all ports, but the system that is adopted in different Custom Houses is different. For instance for certain classes of paper such as tissue, mechanical art, coloured glazed and other grades, the Calcutta Customs assess duty on the prevailing market value whereas in Bombay, Karachi and Madras it is on the invoice value. That is accepted as the basis for the duty. To make the matter more clear, we are paying on coloured glazed printing 25 per cent. on the market value ruling on the date of entry, while Bombay, Karachi and Madras are paying 25 per cent. on the invoice value. The selling price includes duty, landing and incidental charges and our profit—of course the Customs give a little rebate—while the duty is being assessed on the actual invoice value without duty or landing charges in Bombay, Karachi and Madras with the result that for a particular class of paper imported by a certain Calcutta merchant his cost will be more than the cost will be to a merchant who imports at the other port. Supposing a particular grade of paper costs me Rs. 1-10 it will cost the Bombay merchant less with the result that he will be able to sell it cheaper in the United Provinces market, say to the Cawnpore merchant, than we can.

President.—What is actually the difference between the invoice value and the market value?

Mr. Rao.—The market value would include all our charges, landing charges, profit, incidental charges and so on.

President.—How is it ascertained?

Mr. Dutt.—From the actual sales.

Mr. Ghosh.—We submit our market rates to the Custom House once a month or once a fortnight and the duty is assessed on the rates submitted by us.

President.—We will discuss the matter with the Collector of Customs when we meet him to-morrow.

Mr. Ghosh.—Another difficulty we experience in connection with the declaration of duty on the market rate is this. Suppose four of us are getting four consignments in one steamer. One man declares 4 annas as the market rate: if I sell at 3 annas 9 pies and declare 3 annas 9 pies as the market rate what the Customs people generally do is, they penalise us and cause us to declare that duty. It causes great inconvenience in the shape of wharf rent. It requires also on our part, apart from the ordinary trade, what I may call the work of spying on others to find out what they are declaring. If a uniform practice is maintained throughout the ports in India that will help us. Let them take the invoice value.

President.—The Customs people cannot blindly accept the invoice value. It is possible that there might be something queer about the invoices.

Mr. Ghosh.—Original invoices received from the suppliers will be given to the Customs.

President.—It is quite possible that some firm might like to put down incorrect invoice value.

Mr. Dutt.—That does not happen.

President.—Of course you will understand that the Board is not concerned with this question of tariff valuation. We are however interested to hear what you have to say about it and we will certainly discuss it with the Collector of Customs and see whether anything can be done about it. Your point is quite plain: you are at a disadvantage with the other ports, where the practice is different.

Mr. Dutt.—Yes.

President.—In regard to the test to see the proportion of chemical pulp are you satisfied with the Spence and Kraus method which is now in use?

Mr. Mukherji.—Yes. We are not having much trouble about that.

President.—Are your Association in favour of continuing the protective duty on imported pulp?

Mr. Dutt.—Yes.

President.—Of course the duty need not necessarily be at the same rate as at present.

Mr. Dutt.—We are not very particular about that. What we notice is that during the first period of protection they brought in more pulp but since there was a duty on pulp they have been trying to develop the pulp side.

President.—Talking about pulp, a suggestion has been put forward by some mills. Supposing protection is to be continued—and of course we first of all want to consider whether protection is to be continued at all and if so at what rate—supposing protection is to be continued, would you suggest different duties on different kinds of pulp?

Mr. Ghosh.—We are not much concerned with that and we have got very little information.

President.—There is another question I was coming to. The mills have suggested that if protection is to be continued, it should be on a sliding scale based on the ascertained price of pulp and liable to alteration once in six months or once in a year. What do you think of that suggestion?

Mr. Mukherji.—It is not practicable.

President.—You were present yesterday when discussions were going on. Do you think it is not practicable? Do you agree with the importers?

Mr. Mukherji.—Yes.

President.—First of all there is the difficulty of ascertaining what the price of pulp is.

Mr. Rao.—The prices quoted by different countries for different kinds of pulp will be different. There may be different qualities.

Mr. Mukherji.—We shall be in difficulties.

Mr. Rao.—Supposing we want to place an order, it will come after six months. We do not know how much it will cost us. Business will become impossible.

President.—If the Tariff Board were to recommend protection -I do not say that they are going to recommend, that remains to be seen, you would rather have a fixed rate of protection and have done with it.

Mr. Ghosh.—Yes.

President.—You have suggested that protection might be continued at the rate of one anna per lb. The Tariff Board has got to consider the present cost and the fair selling price as compared with the import price. It is a question of figures and we have got to go into it fully. At any rate you don't think that it ought to be higher than one anna a lb. That is your position.

Mr. Mukherji.—Yes.

President.—I gather you are satisfied with the classification of papers as arrived at by the Tariff Board over which my colleague presided. That is the position.

Mr. Mukherji.—Since then the number of disputes has gone down considerably.

Mr. Dutt.—Practically nil.

President.—You can't think of any better classification?

Mr. Mukherji.—No.

President.—You say that new mills should be given an anna per lb. protection. When you give protection, it must be for all mills.

Mr. Rao.—Yes.

Mr. Dutt.—Our opinion is that the old mills may not require protection, because they have developed to their full capacity.

President.—Protection is really needed to the new mills and not so much for the old mills.

Mr. Dutt.—Yes.

Mr. Rahimtoola.—The importers have been asked to express their views on the suggestions made by the Paper Makers' Association with regard to certain points about the classification. I suppose you have received a copy of the representation. You might also forward your views on the subject. There is an addition made to the proposed classification of 1936.

Mr. Dutt.—Yes.

President.—In that casing paper is included. Catridge paper is also included.

Mr. Rahimtoola.—The only addition is manilla paper.

Mr. Dutt.—If there is an import of that casing paper, I don't think that will materially jeopardize the interests of the local mills.

President.—It would be best if you gave your considered views. Perhaps you might remember that the Classification Tariff Board of 1936 proposed some changes in the schedule. The recommendations were accepted in principle by the Government of India, but they decided that where legislation is required it was not worth while doing at present. They

proposed classification given by the Tariff Board and the changes that they propose are given in italics. Will you compare that with the proposal of the Paper Makers' Association and give us your considered views?

Mr. Mukherji.—Yes.

Mr. Rahimtoola.—The only thing I would like to know is what would you consider the normal price of the various qualities that are imported into India at present. As regards white printing specially and creamlaid at present thic prices are rather high. Some time back they were still higher. When you are sending me the prices, you might say what do you consider would be the normal price or the price under normal conditions.

Mr. Mukherji.—What should be the normal price?

Mr. Rahimtoola.—What would be the normal price if there were no abnormal conditions?

Mr. Mukherji.—Yes.

President.—Would you like to raise any further points with the Board?

Mr. Dutt.—In the Paper Makers' representation in answer to question 28, they have given certain figures, but they have not given whether these figures are actually for wood-free papers.

Mr. Mukherji.—They say white printing.

Mr. Rahimtoola.—These are the prices of Continental papers.

Mr. Ghosh.—Are they wood-free printings?

Mr. Rahimtoola.—Are they?

Mr. Dutt.—When we compare them with our own actual imports, with our invoices, we find very big differences. As a matter of fact they get a little better price for qualities similar to those that we import. The local mills' prices are much higher than these prices. If these are the actual prices, I don't think the local mills would be able to maintain their prices.

Mr. Rahimtoola.—When you are sending your representation, you might deal with this question.

Mr. Dutt.—Yes.

Mr. Rahimtoola.—It is true that there is very great disparity between the two. One is £29 and the other is £18.

President.—For that reason I wanted you to give us figures.

Mr. Dutt.—We shall support our answers with invoices.

President.—You are in a better position to give the import prices than the mills. I didn't press the mills about that because, I thought the importers and yourself would give us the information which will be authoritative. We have also the Customs figures.

17. Indian Paper-Makers' Association, Calcutta.

A.—WRITTEN.

- (1) *Letter No. 55, dated the 10th January, 1938, from the Tariff Board to the Indian Paper-makers' Association, Royal Exchange, Calcutta.*

In continuation of this office letter No. 22, dated the 6th January, 1938, I am directed to say that the Tariff Board propose the following programme:—

- (1) Inspect Titaghur Paper Mills and the India Paper Pulp Company's Mill between the 26th and 28th January, and the Bengal Paper Mill Company's Mill on January 31st, and
 - (2) begin the examination of witnesses in the beginning of February, taking individual mills first, then The Paper-makers' Association and lastly the Paper Import Association and Paper Traders' Association and such other associations as the Board may decide to examine.
2. If the Paper-makers' Association propose to claim continuance of protection and of the existing surcharge, it is suggested that the general case be presented by the Association and that individual mills should make their own representations on particular points. No doubt, as in the last enquiry, the Calcutta Paper Import Association and the Calcutta Paper Traders' Association will desire to know what is the case presented by the Indian Paper-makers' Association and *vice versa*, and I am to ask whether you have any objection to a copy of your representation being sent to the two Associations mentioned.
3. The Board propose to examine the representatives of the Upper India Couper Paper Mills at Lucknow after concluding their examination in Calcutta. Representatives of the Deccan Paper Mills can be examined in Bombay later.

- (2) *Letter No. 48-P. M. A., dated the 19th January, 1938, from the Indian Paper-Makers' Association, Calcutta.*

I have the honour to refer to your letter No. 55, dated the 10th January, incorporating particulars of the programme which the Tariff Board propose to follow in connection with their enquiry into the protection to be afforded to the bamboo paper and pulp industries after 31st March, 1939. The programme provides for visits by the Tariff Board to certain mills between the 26th and the 31st January and for the oral examination of witnesses early in February. As you will since have observed from my letter* of 13th January, the mills are very desirous of being granted an extension, to the 15th February, of the time allowed for the submission of their replies to the Board's questionnaire. If this extension is granted, as the mills trust it will be, the Tariff Board will no doubt wish to re-arrange their programme accordingly as the taking of oral evidence will not be feasible until the mills' replies to the questionnaire have been submitted. I am to enquire in these circumstances what alterations in the programme are proposed.

2. As regards the points dealt with in paragraph 2 of your letter of the 10th January, the position is that it is intended to submit joint representations through the Indian Paper-Makers' Association on points regarding which the mills' views are uniform and unanimous: otherwise it will be necessary to leave the matter to be dealt with in the representations submitted by the individual mills to the Board.

3. In paragraph 2 of your letter you also raised the question of the exchange, between the producing interests and the importers and traders, of

* Not printed.

the views submitted to the Tariff Board by each such section of the industry. I am to say that the Indian Paper-Makers' Association would be agreeable to such an exchange on the understanding of course that it is reciprocal and subject to this qualification, namely that no copies of the views of one section of the industry should be forwarded to the other until both the sides have tendered their written evidence to the Board.

(3) *Letter No. 53-P. M. A., dated the 20th January, 1938, from the Indian Paper-Makers' Association, Calcutta.*

I have the honour to address you, on behalf of the Indian Paper-Makers' Association, with reference to the Tariff Board's Press Communiqué, dated the 23rd December a copy of which was forwarded with your letter* No. 1097 of the 24th *idem*. The Communiqué invites firms or persons interested in the forthcoming enquiry to submit written representations not later than the 25th January, 1938; and in your covering letter referred to above it was explained that a questionnaire—which has since been received—was then in course of preparation for issue to those concerned. The mills comprising this Association think that the case which they wish to place before the Tariff Board will most suitably be presented in its detailed aspects when they reply to the questionnaire and in the course of subsequent oral evidence. They propose, therefore, to confine this letter to a very brief statement—which they trust will be satisfactory to the Board—of the general considerations which they hope the Board will keep prominently in mind at the outset of the enquiry.

2. It has been the declared policy of previous Tariff Boards, in recommending protection for the paper trade, to foster the development of the bamboo pulp industry in this country—a policy with which the mills are fully in sympathy and which they have faithfully endeavoured to implement. The progress which they have made in the adaptation of indigenous bamboo pulp, to the requirements of the paper manufacturing industry is—it is thought—sufficiently known to the Tariff Board to necessitate only a brief reference in these preliminary submissions; but, on the assumption that similar importance will be attached in the forthcoming enquiry to the encouragement of bamboo pulp production as developing the resources of the country as a whole and rural areas in particular the mills will welcome an opportunity of expressing their views on this point. As was forecasted in 1931 they maintain that now bamboo can produce pulp suitable for the manufacture of most of the ordinary descriptions of protected paper. The increase in the use of bamboo pulp during past years and the mills' experience of it as a substitute for imported wood pulp, afford valid grounds for stating that, given a further period of protection, its use can be still further developed to the mutual advantage of the two industries. The interests of both are, in the last resort, identical and inter-dependent: the bamboo pulp industry cannot hope for any substantial expansion unless the paper mills are in a position to offer it an increasing market for conversion into paper, while the continued development of an ample supply of bamboo is an essential pre-requisite to the further growth and prosperity of the paper manufacturing industry. On these grounds it follows now, as it did previously, that continued protection to the bamboo pulp industry must be accompanied by continued protection to the paper manufacturing industry, if the policy is to prove successful. In this connection it should perhaps be mentioned that, notwithstanding the substantial increase in the consumption of bamboo by the paper making industry, certain of the mills still consume in varying degrees *sabai* grass in the manufacture of their paper. As to the amount of grass consumed for this purpose and on other connected issues, the mills concerned will be prepared to submit evidence orally or in their replies to the Board's questionnaire.

* Not printed.

3. Turning now to the more general aspects of the industry's claim for a continuance of protection, the considerations upon which that claim is based are necessarily very similar to those which have been presented in connection with previous Tariff Board Enquiries. As has already been indicated, substantial expansion and notable advances have been achieved by the paper making industry under the protection afforded to it. But the industry in this country compared to other countries is still essentially in its early stages and it is unnecessary to point out the potentialities which exist of further development and expansion. The mills on whose behalf these representations are submitted, believe that given a further period of protection they will be able to develop the industry still further along lines which will continue to implement the underlying purposes of the Bamboo Paper Industry (Protection) Act. They are confident, and they have solid grounds for thinking, that if further encouragement and assistance are given in this way, the industry will continue to expand and thoroughly establish itself. But, as will be shown later by their detailed evidence, they are on equally solid ground in stating that the lack of adequate protection at this stage would undo much of the progress that has already been achieved and would seriously limit the expansion to which the industry now looks forward. Without an adequate measure of protection, the industry cannot yet hope to compete in the Indian market or elsewhere with the product of long established industries abroad. In this connection it should be mentioned that prices for foreign paper and pulp are at present on a high level but there is reason to doubt whether these prices will be maintained during the next six or seven years. On this point the mills will submit evidence orally or in response to the Board's questionnaire.

4. It will be readily apparent to the Tariff Board that any interruption of or setback in the progress of the paper manufacturing industry must have serious repercussions on the national and economic advantages which the country as a whole derives from it in the way of increased employment, contributions to public revenues, and the creation of a new source of wealth, to mention only a few. The development so far achieved makes the pulp and paper industry a key industry on which the whole industrial and administrative system of India is increasingly dependent. Its value to the country as a whole in time of war has already been amply demonstrated; and its importance in this respect is a factor which the mills submit cannot be overlooked under existing world conditions.

5. The foregoing are, without elaboration, the main considerations which the Indian Paper-Makers' Association would ask the Tariff Board to keep in mind at the outset of the enquiry on which they are embarking. As has already been stated the mills will submit, in their reply to the questionnaire and in the course of their oral examination, further and more detailed evidence in support of the request they now make for continuance of protection: and they will at all times be willing to furnish the Board, as far as it is possible for them to do so, with such particulars as are required for the purpose of the enquiry.

(4) *Letter No. 92, dated the 26th January, 1938, from the Tariff Board to the Indian Paper-makers' Association, Calcutta.*

With reference to your letter No. 48-P. M. A., dated the 19th January, 1938, I am directed to say that the Board find it very difficult to give an extension of time for the submission of replies to the 15th February as this will upset the whole programme and delay the Board's report which the Government of India require as early as possible. In the circumstances the latest date that the Board can give is the 10th February, but they hope that all the Mills and the Indian Paper-Makers' Association will send their replies earlier. If necessary, the main part of the reply may be sent in advance and any special points dealt with in a supplementary reply.

2. As regards interchange of copies of replies between the Indian Paper-Makers' Association and the Calcutta Paper Import Association and the

Paper Traders' Association, it is suggested that both parties come to an arrangement among themselves about the dates of the interchange. This has been suggested verbally to the two Associations concerned.

(5) *Letter No. 132-P. M. A., dated the 7th February, 1938, from the Indian Paper-makers' Association, Calcutta.*

In continuation of my letter No. 53-P. M. A. of the 20th January, I am now instructed to send you the Association's reply to those of the questions contained in the Board's questionnaire which it is felt can suitably be answered by the Indian Paper-makers' Association as such. You will recollect that in paragraph 2 of my letter No. 48-P. M. A. of the 19th January, I explained that it was intended to submit joint representations through the Association on points regarding which the mills' views were uniform and unanimous: the reply now submitted is the result of the consideration which has been jointly given by members of the Association to the Board's questionnaire. The remaining questions will be dealt with by the mills individually in the written evidence presented by them to the Board and in their subsequent oral examination. As regards the Association's reply to the questionnaire, the points dealt with in it will be amplified when the Association's representatives are called upon to appear before the Board; and it may be that several of the individual mills in their written submissions to the Board will add to the replies now submitted to the Board by the Association.

2. For the information of the Tariff Board I attach hereto a list of the mills in the membership of the Indian Paper-makers' Association on whose behalf the enclosed memorandum is presented.

Enclosure I.

Memorandum in reply to the Indian Tariff Board's Questionnaire.

10. With the exception of coal, in the case of which the mills would welcome the removal of the existing surcharge, the interests represented by this Association do not consider that the present rates of railway freight have caused any special hardship to the paper industry. They would, however, take this opportunity of expressing the hope that the railways will continue to bear in mind the great importance, from the point of view of the development of the industry, of low freight rates on the raw materials consumed by the mills.

25. Combination of Customs figures for imports for the year ending 1936-37 and of the present output of Indian Mills gives the following annual consumption and production figures. The figures in brackets alongside represent the corresponding figures for 1930-31:—

	Tons.	Tons.
(1) Indian production of paper—		
(a) protected	48,000	35,000
(b) unprotected	5,000	4,000
Total	53,000	39,000
(2) Total Indian demand—		
(a) protected	60,000	49,000
(b) unprotected	153,000	105,000
Total	213,000	154,000

In the figure of the total Indian demand for unprotected paper, the following imports have been included:—

	Tons.
Old Newspapers	54,730
Paste Boards, Strawboards, Mill Boards and Cardboards	25,250
Paper Manufactures	2,049
Other kinds of paper	3,528
Total	<u>85,557</u>

With regard to the total Indian production, the Board is aware that a number of new Mills are under construction. We believe that the result will be to increase India's capacity for production of paper by at least 20,000 tons, but the Board will, no doubt, be able to form a more accurate estimate in the course of their enquiry.

28. The bulk of production of the mills in the membership of this Association consists of White Printing and Cream Laid and they accordingly give below an indication of the imported prices for these qualities each year from 1931-32 to 1936-37. It must, however, be realised that each of these kinds includes many grades of quality and price and too much reliance should not be placed on isolated quotations.

White Printing.

	Price per ton c.i.f. Calcutta.	At 1s. 6d. Exchange per lb.	Duty.	Landed cost add- ing $\frac{1}{2}$ pie per lb. for clearing.
	£ s. d.	A. P.	A. P.	A. P.
1931-32	19 7 6	1 10-14	1 3	3 1-64
1932-33	20 0 0	1 10-88	1 3	3 2-36
1933-34	19 10 0	1 10-28	1 3	3 1-78
1934-35	19 10 0	1 10-28	1 3	3 1-78
1935-36	16 15 0	1 7-14	1 3	2 10-64
1936-37	18 7 6	1 9-00	1 3	3 0-50

The figures from 1931-32 to 1934-35 have been taken from the information supplied to the Tariff Board in 1935 in connection with the Classification of Papers enquiry in August, 1935. The figures for 1935-36 are those supplied to the Department of Commerce, Simla, in connection with the surcharge Enquiry of 1936.

Cream Laid.

	Price per ton c.i.f. Calcutta.	At 1s. 6d. Exchange per lb.	Duty.	Landed cost add- ing $\frac{1}{2}$ pie per lb. for clearing.
	£ s. d.	A. P.	A. P.	A. P.
1931-32	20 10 0	1 11-43	1 3	3 2-93
1932-33	21 5 0	2 0-29	1 3	3 3-79
1933-34	20 10 0	1 11-43	1 3	3 2-93
1934-35	20 15 0	1 11-71	1 3	3 3-21
1935-36	18 7 6	1 9-00	1 3	3 0-50
1936-37	20 7 6	1 11-27	1 3	3 2-77

33. There is no reason in the opinion of the Association to suppose that present prices for foreign pulp and paper are unremunerative, but it is equally certain that, until comparatively recently, they undoubtedly were.

In 1931 the Tariff Board found that there was a certain amount of evidence that foreign producers were then exporting to India on unremunerative prices. The subsequent further heavy fall in prices for foreign paper and pulp do not, it is thought, leave any room for doubt that during the years 1934 to 1936 both pulp and paper were exported to India at entirely unremunerative rates. On the other hand, the mills submit that if the world pulp and paper industries could keep alive at all on the prices which have prevailed during the past 10 years then the prices at which they are selling to-day must, notwithstanding an increase in cost of the raw materials, represent an adequate profit.

34. The experience of the Association is that foreign competition is keenest in Bombay, Karachi, Madras, the Malabar Coast and Rangoon. In addition there are certain Indian States such as Travancore and Kashmir, which are not subject to the Protective duty and where, in consequence, it is impossible for Indian paper to compete.

37. So far as can be ascertained, the interests on whose behalf these representations are submitted have not been adversely affected by the application of the existing test for distinguishing newsprint from other printing paper—which they believe to be the point which the Board have in mind in the first part of their question. So far as the mills are aware, the test adopted for the purpose of distinguishing between Writing and Printing paper is also in the main satisfactory.

With regard to the sizing test, however, the mills feel that in cases of doubt or difficulty, it would make things easier for Customs officials if some scientific test could be prescribed, not for general use, but for cases where difficulties or disputes arise.

53. The Association has been given to understand by some of its members that it is their intention to manufacture certain classes of paper other than those to which the present protective duty applies. The Association further understands that the mills concerned will furnish the Board with particulars of the grounds on which they claim that such classes are entitled to protection. While the Association has no information on which itself to put forward a case for extending the protective duties to these classes of paper, its members would welcome such extension of the protective duties in order to widen the market in proportion to the growing productive capacity of the industry. The classes of paper referred to are:—

- (a) Kraft wrapping paper, M.G. and Unglazed.
- (b) Newsprint.
- (c) Manilla.
- (d) Drawing cartridge.

Should the mills contemplating manufacture of these classes succeed in establishing their claim to protection, items 44(1) and 44(2) would require to be amended in accordance with the recommendations made by the Board and a new item would require to be introduced in the schedule.

Otherwise, generally speaking, the manufacturing interests represented by this Association, are in agreement with the proposed schedule given on page 21 of the Board's Report. They find, however, that certain classes of paper are still being imported as a class of wrapping paper and, although being used for the manufacture of Account Books, are paying revenue duty only, thus evading the intentions of the Act. Cases brought to their notice, have been imported under the heading of "Glazed Yellow Casing Paper" and similarly, there is also a loophole for this paper to be imported under the heading of "Manilla", if it is glazed on both sides. The mills also

think it advisable to add the word "Wrapping" to the deep blue papers in case writing paper also is brought in under this heading. They therefore suggest that Item 44(3) should be altered to read as follows:—

"Papers including all machine glazed papers, stereo, all coated paper except art paper, all deep blue wrapping papers, all unglazed thin news up to substance 35.5 grams per sq. meter, except white and buff or badami and glazed white or buff casing or white and buff Manilla paper above substance 26.6 grams per sq. meter, all sorts not otherwise specified".

Enclosure II.

List of Members of the Indian Paper-makers' Association.

1. Andhra Paper Mills Co., Ltd., Managing Agents, Messrs. Dayaram & Sons, 4, Lyons Range, Calcutta.
2. Bengal Paper Mill Co., Ltd., Managing Agents, Messrs. Balmer Lawrie & Co., Ltd., 103, Clive Street, Calcutta.
3. The Deccan Paper Mills Co., Ltd., Secretaries, Managers & Treasurers, Messrs. N. Pudumjee & Co., 815-16, Bhowani Peth, Poona.
4. India Paper Pulp Co., Ltd., Managing Agents, Messrs. Andrew Yule & Co., Ltd., 8, Clive Row, Calcutta.
5. Mysore Paper Mills, Ltd., The Secretary, Asiatic Buildings, Kempegowda Road, Bangalore.
6. Orient Paper Mills, Co., Ltd., Managing Agents, Messrs. Birla Brothers, Ltd., 8, Royal Exchange Place, Calcutta.
7. Rohtas Industries, Ltd., The Chief Commercial Manager, 7, Narain Babu Lane, Calcutta.
8. Shree Gopal Paper Mills Co., Ltd., Managing Agents, Messrs. Karamchand Thapar & Bros., Ltd., 5, Royal Exchange Place, Calcutta.
9. Star Paper Mills Co., Ltd., Agents, Messrs. Baldevdas Bajoria & Co., 4, Lyons Range, Calcutta.
10. Titaghur Paper Mills Co., Ltd., Managing Agents, Messrs. F. W. Heilgers & Co., Chartered Bank Buildings, Calcutta.
11. Upper India Couper Paper Mills, Co., Ltd., The Secretary, Lucknow.

(6) *Letter No. 149-P. M. A., dated the 17th February, 1938, from the Indian Paper-makers' Association, Calcutta.*

I have pleasure in enclosing herewith a supplementary memorandum by the representatives of the Indian Paper-makers' Association who gave evidence before the Tariff Board on the 14th February, containing the additional information asked for by the Board on that occasion.

Supplementary Memorandum to the Secretary, Tariff Board, 1, Council House Street, Calcutta.

As requested by the Board during our oral evidence on the 14th instant, we have pleasure in giving the following additional information on certain points:—

1. *Question No. 10.*—The surcharge on railway freight rates on coal was originally introduced on 15th January, 1932. From that date until 31st March, 1935, the surcharge amounted to 15 per cent. on the rate irrespective of the rate. From 1st April, 1935, until the present time the surcharge has been 12½ per cent., on the rate but subject to a maximum surcharge of Re. 1 per ton.

2. *Question No. 28.*—As requested by the Board we have pleasure in giving the following typical prices for White Bank papers (corresponding to imported Bond papers) and for White drawing Cartridge.

Year.	C.i.f. sterling price.	Equivalent at ex. 1s. 6d.	Landing and clearing charges.	Duty.	Total landed cost.
	£ s.	Rs.	Rs.	Rs.	Rs.
<i>White Bank—</i>					
1931-32 . . .	23 0	307	7	175	489
1932-33 . . .	21 0	280	7	175	462
1933-34 . . .	20 0	267	7	175	449
1934-35 . . .	19 10	260	7	175	442
1935-36 . . .	22 5	297	7	175	479
1936-37 . . .	20 5	270	7	175	452
<i>White Wood Free Cartridge—</i>					
1931-32 . . .	21 5	283	7	30 per cent. <i>ad valorem.</i>	377
1932-33 . . .	22 10	300	7	Do.	399
1933-34 . . .	21 10	287	7	Do.	382
1934-35 . . .	20 15	277	7	Do.	369
1935-36 . . .	19 10	260	7	Do.	347
1936-37 . . .	19 5	257	7	Do.	343

In connection with comparable foreign prices, we should like to emphasise that our most serious competition comes not from English papers but from Continental papers where it is evident that there are Mills which devote more attention to the cheaper grades of the present protected classes than is the case in Great Britain.

3. *Question No. 53.*—As a result of our discussion with the Board we do not wish to press our proposal that the reference to "Dark Blue" paper in the present tariff schedule should be qualified by the addition of the word "wrapping".

4. In addition to the above, the Board referred to two points in particular which had been made by the Calcutta Paper Import Association and on which the Board asked us to comment.

In the first place we understand that it is contended that the intention of the original Board was to exclude from the protective duties not only printing paper containing 70 per cent. or more of mechanical pulp, but also writing papers containing 70 per cent. or more of mechanical pulp.

The relevant portions of the report appear to be (page 98)—

"In determining what printing or writing paper should be specifically recommended for exclusion from the protective tariff we have been guided by several considerations. It is not enough that the paper is not made in India, or even that it cannot be made in India. *The vital points are that it does not compete with Indian paper at present, that, if excluded from the protective tariff and so made relatively cheap, it is*

not likely to compete, and that it should be possible to define it in such a manner that it can be readily identified for Customs purposes. The various exclusions suggested in the evidence are discussed in a Note appended to the schedule in Appendix VII, and it is not necessary to do more than give one or two examples here."

Page 26 paragraph 41—

"In the case of writing papers it is not so easy to distinguish the kinds which are in competition with Indian paper, and the question is mainly one of price. Generally, it may be said that any imported writing paper competes with Indian paper if the c.i.f. price is between £26 and £36 a ton. Paper costing less than £30 a ton would probably be partly mechanical. Paper costing more would be made of wood pulp, but near the higher limit might contain a mixture of Esparto grass. Mention should also be made of the so-called Account Book (printing), which is used largely in the Bombay Presidency and by up-country merchants for account books. It has a glazed hard surface and is preferred by those who use pens made from reeds or bamboo twigs. The c.i.f. price is about £32 a ton."

Page 120, Note 4.

"Partly mechanical papers: Papers containing a proportion of Mechanical Pulp do in fact compete with the writing and printing papers made by the Indian Mills, and especially with 'badami' paper."

Page 119, Note 2.

"The existing duties on news print are retained where the paper contains not less than 65 per cent. of mechanical wood pulp. It has been considered preferable to avoid using the term "news" in the schedule. The sole criterion to determine whether a particular kind of printing paper ought to pay the lower rate of duty is the percentage of mechanical wood pulp it contains, and the purpose for which it may be used is irrelevant."

From the above, and particularly the portions underlined, it seems clear that the intention of the Board was to protect all writing and printing papers (other than the specific exceptions mentioned in Appendix VII), with the exception of cheap mechanical printing paper for newspapers. It will be noted that the percentage of mechanical wood pulp proposed as a dividing line in the case of printing is merely a practical criterion introduced because it provides a standard in accordance with which paper can actually be tested, as distinct from the mere description "news print" where opinions might differ as to whether any given paper was or was not news print.

We submit that the extracts quoted from pages 26 and 98 when read together indicate that the intention of the Board was clearly to protect all writing papers manufactured in India, and that the Board recognised that such competition did arise in the case of writing papers containing a proportion of mechanical pulp.

Finally, in drafting the schedule itself the Board selected the phrase "*writing paper, all sorts*" which we submit is in itself most definite and unambiguous evidence of what they intended.

5. Lastly we understand that the Indian Mills have been criticised on the grounds that their cost of converting pulp into paper is unduly high in comparison with the cost of the same process in England where it is alleged that conditions are similar.

We have no first-hand knowledge of what the conversion of pulp into paper costs in England, but we should expect to find that this figure varies very widely according to the size and age of the particular Mill, and the class or classes of paper manufactured. Before any useful comparison could be drawn we believe therefore that it would be necessary to examine the figures of several mills and consider carefully the circumstances of each

before any particular set of cost figures could, with confidence, be selected as forming a fair basis for comparison with similar figures for Indian Mills.

Generally speaking, however, we submit that conditions in England differ materially from those in this country, and that any fair comparison would in fact be difficult if not impossible.

In the first place it is necessary for Indian Mills to import all their machine clothing, machinery, and spare parts as well as a certain proportion of their chemicals. In every case the cost is increased by freight and generally by duty as well. In some cases, as for instance Bleaching Powder, there is also the danger of deterioration of quality in storage. It is also necessary to keep larger stocks of all these necessary materials and stores owing to the time taken to procure them from Europe.

The position of the Industry in India also differs entirely from that of the industry in the United Kingdom in respect of the kinds of paper manufactured. In England there are a great number of Mills which cater for a very large market. The natural tendency has been for Mills to concentrate so far as possible exclusively on one or two particular kinds and grades of paper with the result that there is a minimum of delay and loss in changing over from one kind of paper or one thickness of paper to another. In India, on the other hand, a very small number of mills are supplying a relatively small market which nevertheless requires a large number of varieties of paper in a number of different sizes and thicknesses. As a result each Mill has to be in a position to supply and consequently to manufacture a very large number of kinds of paper in a variety of sizes and thicknesses. As a result individual runs on any one particular quality, size and weight are of relatively short duration and there is consequently much delay and loss in changing from one making to another.

It is further well known that the manufacture of the lighter weights of paper is more expensive than the manufacture of the same quality in a thicker weight. This is largely due to the fact that a given machine will make in a given time a smaller tonnage when making thin paper and also to the fact that the manufacture of thin papers presents greater technical difficulties which result in a certain amount of wastage.

In this respect the Indian Mills have a disadvantage since a large proportion of their output necessarily consists of light weight papers such as are seldom if at all manufactured in England at competitive prices.

For these reasons we submit that any comparison between the cost for conversion of pulp into paper in the two countries is one which could only be attempted if equally detailed information were available for British as well as Indian Mills.

The figures quoted by the Calcutta Paper Import Association are of little value since no information is given regarding the Mill to which they relate—not even its capacity or the class of paper it manufactures. The fact, however, that it apparently relies on the proportion of loading used to provide the whole of its profit does indicate that it is not manufacturing a very high grade of paper.

(7) *Letter No. 252, dated the 5th March, 1938, from the Tariff Board to the Indian Paper-makers' Association, Calcutta.*

I am directed to say that after the completion of the evidence in Calcutta the Tariff Board visited Dehra Dun and inspected the Paper Section of the Forest Institute. Apart from the usual investigations, experimental work now in progress comprises the manufacture of kraft paper from bamboo pulp, the manufacture of mechanical pulp from varieties of wood available in India and the use of bagasse as a paper or paper board material.

2. The Board discussed with the Officers of the Institute the equipment and staff of the paper section necessary to meet the needs of an expanding industry. The Board would be glad of the views of your Association on the lines of research work which may be of use to the industry, the training

of apprentices, refresher ' courses for persons already in employ and other matters in which the industry may be interested. The opening of an information bureau and the publication of matter likely to be useful to the industry including the results of experiments and trials has also been proposed.

3. The suggestion has been made that instead of unfixed voluntary contribution which mills at present make, a small cess per ton of paper manufactured might be paid by all mills to ensure that equal contributions are made by all concerned. The Board would be glad of the views of your Association on this question as early as practicable.

(8) *Letter No. 159-P. M. A., dated the 8th March, 1938, from the Indian Paper-makers' Association, Calcutta.*

As requested I enclose for the information of the President of the Tariff Board copies of the undermentioned letters addressed by this Association in 1936 to the Government of India:—

- (1) Letter No. 50-P. M. A., dated the 27th June, 1936, from the Indian Paper-makers' Association to the Government of India, Department of Commerce.
- (2) Letter No. 83-P. M. A., dated the 28th September, 1936, from the Indian Paper-makers' Association to the Government of India, Department of Commerce.

Enclosure I.

Letter No. 50-P. M. A., dated the 27th June, 1936, from the Indian Paper-makers' Association, to the Government of India, Department of Commerce, Simla.

I have the honour to refer to the Government of India's "Tariffs" Resolution No. 202-T. (3)/35, dated the 23rd May, 1936, in particular to paragraph 4 of the resolution in which Government announce their intention of conducting a departmental enquiry into the question of whether the continuance of the existing surcharge on the paper protective duties is any longer justified. In response to the request made in the resolution for the submission of the views of those concerned, I am now instructed to forward for the consideration of Government the following representations on behalf of the paper mill interests in the membership of this Association, viz. :—

The Titaghur Paper Mills Co., Ltd.
 The Bengal Paper Mill Co., Ltd.
 The India Paper Pulp Co., Ltd.
 The Deccan Paper Mills Co., Ltd.

I am also to say that the Upper India Couper Paper Mills, Ltd., Lucknow, though not members of this Association, desire to be associated with these representations.

2. The interests mentioned above think that for the purposes of the present enquiry into the 25 per cent. surcharge, the Government of India will not desire to receive detailed information regarding the working of the indigenous paper mill industry as a whole, and they propose to proceed on the assumption that it will be sufficient for those who are concerned in the paper-making industry in India to show that the total protection afforded now by the protective duty, combined with the surcharge, does not exceed the measure of protection recommended by the Tariff Board or the intention of the legislature in giving effect to the Board's proposals.

3. At the outset the mills would remind Government that in passing the Bamboo Protection Act, in February, 1932, the Legislative Assembly accepted without change the recommendations of the Tariff Board as stated in their report of 1931, and imposed for a period of seven years a duty of Rs. 140 per ton, or 1 anna per lb., on certain qualities of paper, and Rs. 45 per ton

on Woodpulp of any description imported into India. The duty on woodpulp was a new duty, but the paper duty was merely an extension of the protective duty in force at the time. Both duties were automatically subject to the surcharge of 25 per cent. imposed by the Finance Bill of October, 1931.

4. As Government are aware, in order to determine the measure of protection necessary, the Tariff Board in 1931 departed from the usual practice of comparing the fair selling price for the Indian industry with the landed duty-free price of imported paper. The reason was that the Board found that this was a method "which it is difficult to apply in the case of the Paper Industry, as varieties of paper in the market are so numerous that it is impossible to determine the classes of imported papers which are precisely comparable with Indian made papers". The Board, therefore, in 1931 followed the practice of the Tariff Board of 1925, and adopted the average prices realised by the mills as the most suitable criterion for fixing the measure of protection. Actually, they selected the prices realised by one of the mills in the membership of this Association, namely, the Indian Paper Pulp Co., Ltd., as their standard, because almost the whole of the output of this mill during the year consisted of Writing and Printing papers with the exception of Wrapping paper made for use in the mill. A reference to the Tariff Board report will show that at the time of the 1931 enquiry, prices in India and abroad were already being affected by the economic depression, and the Board's opinion then was that these prices "reflected so largely the present general depression in commodity prices as to render them unsuitable without some adjustment as a basis of protection". The Board, evidently assuming that prices would tend to rise from the 1930-31 level, decided therefore on a figure intermediate between the India Paper Pulp Co.'s selling prices of 1928-29 and 1930-31 as a basis from which to calculate the degree of protection required. From the average of these prices an equivalent duty-free price of Rs. 341 per ton (or As. 2-5-22 pies per lb.) was arrived at. After a thorough investigation into the costs of production and after making due allowance for economies that might be expected as the industry developed, the Board calculated that the mills were entitled to a fair selling price of Rs. 464 per ton during the period of protection. The difference between the equivalent duty-free price and the fair selling price, amounted to Rs. 123 per ton of paper and this was the Board's final estimate of the degree of protection required. In addition, the Board considered that the Mills should be compensated for the increased cost resulting from the duty of Rs. 45 per ton on woodpulp which they recommended simultaneously with the Paper Protective duty. This compensation amounted to Rs. 17 per ton of paper, making a total protective duty of Rs. 140. By the operation of the surcharge, the duties became in effect Rs. 175 on paper and Rs. 56-4 per ton on woodpulp.

5. It is in the light of the foregoing that the mills in the membership of this Association consider that, for the purposes of the present enquiry, it should be sufficient to show how the prices actually realised by the Paper manufacturing industry compare with the Board's estimate of a fair selling price. It is appropriate at this stage to refer to statements made in paragraph 4 of Government's resolution that the revised classifications set out in the appendix thereto involve "a not inconsiderable expansion of the range of protection now enjoyed by the Indian paper-making industry": it is in these circumstances that the Government of India have decided that the present is an opportune time to review the question of the 25 per cent. surcharge. The mills venture to suggest in this connection that the decisions of Government as a result of the recent enquiry into the tariff classification of paper merely give effect—in the words of paragraph 2 of the resolution—"to the intentions of the legislature when it accepted the Paper Protection Bill of 1932" which was in turn based on the findings of the Tariff Board Enquiry of 1931. Moreover, so far as bleached papers are concerned, the prices realised by the Indian mills following the adoption of the revised classification now decided upon will be determined almost entirely by the duty-free landed cost of such imported papers; and the interests represented

by this Association believe that the effect of the recent reclassifications will be merely to widen the market in which the Indian mills may be in a position to compete with imported paper, rather than to increase the prices realised by the mills for the papers they at present manufacture.

6. Contrary to the 1931 Tariff Board's expectations, prices instead of rising from the 1930-31 level have continued to fall. So great has been this fall that, in spite of the 25 per cent. surcharge, the average nett mills' prices realised by the mills in the membership of this Association, have for some years been very far short of the fair selling price of Rs. 464 per ton, or As. 3-3-77 per lb., determined by the Tariff Board. This fact is very graphically brought out by reference to the contract prices obtained by Indian paper mills in connection with the Central Government annual paper contract for the main items of White Printing and Semi-bleached paper which form by far the largest proportion of the contract tonnage and which are made to the high specifications laid down by Government. The figures are as follows:—

White Printing—

	Per lb. A. P.
1930-31	3 6
1936-37	3 1

Semi-Bleached—

1930-31	3 5
1936-37	3 ½

It will be seen that notwithstanding the surcharge—which amounts to 3 pies per pound,—the mills received from the Government of India in 1936-37 prices representing, in the case of White Printing, a reduction of 5 pies per lb., or approximately Rs. 58-5 per ton and, in the case of Semi-bleached Printing 4½ pies per lb., or approximately Rs. 52-8 per ton. Similarly, in the general market all over India, severe competition especially from German and other Continental paper had to be met; and apart from the substantial shipments of cheap Japanese paper chiefly to Bombay, prices have fallen since 1931 far in excess of the surcharge. In the case of the chief qualities manufactured by the Indian mills, namely, Printing and Cream Laid, the fall in imported prices is shown as follows:—

Imported price C. I. F. Indian ports per ton.	1931-32.		1935-36.	
	Equivalent price per lb. in Indian Currency adding duty and sur- charge of As. 1/3 per lb.	Imported price C. I. F. Indian ports per ton.	Equivalent price per lb. in Indian Currency adding duty and sur- charge of As. 1/3 per lb.	Fall in price per lb.
£ s.	A.	£ s. d.	A.	Pies.
White Printing 20 5	3/2-64	16 15 0	2/10	4-64
Cream Laid 23 0	3/5-2	18 7 6	3	5-2

Naturally, in order to retain their market, the Indian Mills have had to follow the trend of imported prices, with the result that the prices they

have received show an even greater drop than that reflected in the Government of India prices.

7. As the prices obtained by the mills in the membership of this Association and by the Upper India Couper Paper Mills, Ltd., Lucknow, (who are associated with this representation) are closely allied, it seems unnecessary to show separate statements of prices obtained by all the Mills, but there is attached hereto a statement prepared by the largest mills in the Association,—the Titaghur Paper Mills Co., Ltd.—for the chief qualities manufactured by the Indian Mills, giving the prices current immediately before the surcharge and each year following. The statement shows, that, notwithstanding the surcharge, consumers for the past few years have been paying considerably less for their requirements than they did in 1931. A second statement attached to this letter gives the average prices realised by the various Mills, which it is submitted prove conclusively that, had it not been for the additional protection afforded by the surcharge, the position of the industry would have indeed been serious and might have justified a further reference to the Tariff Board.

8. There is no doubt that the recent introduction of the German Barter system has had a very depressing effect on Indian Mills' prices and it is apparent, in the opinion of this Association, that German export prices are very considerably lower than internal prices. As an example, the Association would instance recent German quotations of woodfree M. F. Printing c.i.f. Indian ports at £16 10s. per ton. This works out at As. 1-6/8 pies per lb. c.i.f., which it is calculated is equal to about As. 1-3 pies per lb. or say 1½d. per lb. at the Mills in Germany—a price for paper free of mechanical pulp which is, the mills believe, very much below the internal price, and probably below the cost of manufacture. Actually, during the six months from 1st December, 1935 to 31st May, 1936, approximately 1,000 tons of protected qualities were imported into Bombay alone, from Germany and through Rotterdam and Antwerp. As a result, the Indian Paper Sales Association, which is a selling organisation in Bombay for the Indian Paper Mills, has recently had to reduce prices for White Printing paper although Bombay prices were already lower than other market prices in India.

9. The Mills submit that they have every reason to be apprehensive that the removal of the surcharge at this difficult period would lead to the paper market being flooded with very cheap Continental and Japanese imports of paper at prices which would make it impossible for the indigenous industry to compete without loss. The removal of the surcharge will affect the bulk of the paper produced in this country and will result in reducing the average nett ex-mill price to Rs. 377 per ton or Rs. 87 per ton below the fair selling price which the 1931 Tariff Board, after an exhaustive enquiry, fixed at Rs. 464 per ton. Moreover, the Board in arriving on this basis at a decision as to the measure of protection to be afforded to the industry, recognised that for some time to come the Indian Mills would necessarily consume a certain amount of imported woodpulp which has also been subject to the 25 per cent. surcharge. During the past few years the Mills have made rapid progress in the manufacture of bamboo pulp; but, as was anticipated by the Tariff Board, they have also imported considerable quantities of wood pulp and to the extent of these importations the benefits of the surcharge on paper have been offset by the surcharge on the mills' requirements of imported wood pulp.

10. To re-capitulate, the Mills submit that it would be neither opportune nor equitable at the present stage, and at a time when railway freight rates on paper, pulp and raw materials are being raised, for the Government of India to remove the 25 per cent. surcharge on the paper protective duties. The Mills' submission is made upon grounds which may be summarised briefly as follows:—

- (a) That contrary to the expectations of the 1931 Tariff Board the prices realised by the Mills in India have fallen so considerably, for the various economic and trade reasons mentioned above,

- that the Mills have not in actual practice and even with the help of the surcharge benefited to the extent intended by the Tariff Board and by the Legislature when it accepted and passed the Paper Protection Bill of 1932;
- (b) That this contraction in the prices realised by the Mills will not be appreciably affected, in respect of bleached papers, by the reclassification decided upon by the Government of India as a result of the recent Tariff Board enquiry and that the effect of the reclassification will merely be to widen the potential market in which the Indian Mills may be in a position to compete without loss;
 - (c) That, apart from the wide gap which has existed between the prices realised by the Mills and the fair selling price on which the Tariff Board of 1931 determined the degree of protection to be afforded to the paper mill industry, the actual protection enjoyed has been reduced to the extent of the additional duty imposed by the 25 per cent. surcharge levied on wood pulp, a certain quantity of which was recognised by the Tariff Board to be indispensable to the mills; and
 - (d) That consumers of paper in this country have not been called upon to bear any increased burden as a result of the surcharge on the paper protective duties, because the internal prices for paper have actually been reduced by an amount in excess of the surcharge at the expense of the protection which it was the intention of the legislature to afford to the indigenous paper mill industry and to the financial detriment of the Indian mills.

In view of these considerations and having regard to the great financial loss which its removal would cause to the paper industry as a whole and to certain units of the industry in particular, the interests represented by this Association sincerely hope that the Government of India will see fit to continue the surcharge so as to ensure to the mills a selling price as near as possible to that recommended by the Tariff Board of 1931. They would respectfully but very strongly urge upon Government the desirability of allowing the existing paper tariff conditions to remain unchanged at least until the next Tariff Board enquiry which will take place not less than two years from now.

QUALITIES OF PAPER.

Average over-all Ex-Mills Selling price and total tonnages.

Name of Mill.	1930-31.		1931-32.		1932-33.		1933-34.		1934-35.		1935-36.	
	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.
		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.
Titaghur . . .	18,874	0 3 5-30	18,625	0 3 3-54	17,673	0 3 2-46	21,465	0 3 0-16	22,062	0 2 11-32	23,754	0 2 11-64
Bengal . . .	9,218	0 3 1-80	9,312	0 3 0-74	10,706	0 2 11-38	10,563	0 2 9-82	10,377	0 2 8-32	11,096	0 2 8-33
I. P. P. . . .	6,045	0 3 4-40	6,069	0 3 1-77	5,868	0 3 1-53	5,834	0 2 11-46	6,261	0 2 10-77	6,669	0 2 11-28
Deccan . . .	2,262	0 2 9-75	2,729	0 2 8-	3,029	0 2 9-5	2,860	0 2 6-25	3,230	0 2 3-25	3,333	0 2 3-75

NETT PRICES AT MILLS.

The Tipton Paper Mills Co., Ltd.

Quantity.	1930-31.		1931-32.		1932-33.		1933-34.		1934-35.		1935-36.	
	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.	Tons.	Price per lb.
White Printing Under Demy 14 lbs.	1,015	0 3 6-79	908	0 3 6-05	822	0 3 4-88	745	0 3 3-49	1,076	0 3 4-15	1,177	0 3 2-95
White Printing Demy 14 lbs. & up.	6,758	0 3 5-02	6,402	0 3 3-13	5,613	0 3 2-43	6,246	0 3 0-43	6,452	0 2 11-13	7,106	0 2 11-31
Cream Laid 13x16—6 lbs.	939	0 3 11-91	1,460	0 3 8-31	1,120	0 3 7-56	1,233	0 3 4-83	1,115	0 3 3-43	1,171	0 3 3-20
Cream Laid Fools-cap 8 lbs. & up.	2,417	0 3 6-59	2,965	0 3 3-59	3,351	0 3 2-41	3,638	0 3 0-57	3,895	0 2 11-57	4,287	0 3 0-12
White Bank .	304	0 3 11-03	421	0 3 9-53	306	0 3 9-71	247	0 3 5-95	292	0 3 4-75	372	0 3 4-91

Enclosure II.

Letter No. 83-P. M. A., dated the 28th September, 1936, from the Indian Paper-makers' Association, to the Government of India, Department of Commerce, Simla.

I have the honour to refer, in continuation of my acknowledgment No. 72-P. M. A. of the 27th August, to your letter No. 202-T. (1)/36, dated the 19th idem on the subject of the existing surcharge on the paper protective duties. The preparation by the mills of the figures of works cost which Government require has necessarily occupied some time and I am to express the hope that the unavoidable delay which has taken place in forwarding them has not inconvenienced your Department.

2. I now submit below consolidated figures of the works cost per ton of finished paper, excluding freight, for the five years 1931-32 to 1935-36 in respect of the Titaghur Paper Mills Co., Ltd., the Bengal Paper Mill Co., Ltd., and the India Paper Pulp Co., Ltd. Each of these three mills has prepared and is sending direct to your address detailed statements of their individual works costs on the basis of statements G and H on pages 73 and 74 of the Evidence Volume issued in connection with the 1931 report of the Tariff Board. The Mills, taking advantage of the offer contained in your letter of the 19th August, instruct me to request that these statements may kindly be regarded as private and confidential for the present.

3. The consolidated figures of the three above-mentioned Mills are :—

Ex-Works cost per ton of finished paper (excluding freight).

	Titaghur Paper Mills Co., Ltd.	Bengal Paper Mills Co., Ltd.	India Paper Pulp Co., Ltd.
1931-32 . . .	338	322	318
1932-33 . . .	316	296	324
1933-34 . . .	300	291	323
1934-35 . . .	297	291	306
1935-36 . . .	294	261	301
Five year average .	309	292	314

The Tariff Board, in determining the measure of protection required, postulated an *ex-Works* cost of Rs. 327 as an average over the period of protection, but stated that this figure was Rs. 27 per ton higher than the figure estimated as the cost which Indian Mills would ultimately obtain.

4. The figures set out above show that all three Mills have succeeded in improving on the Tariff Board's estimates of cost: one Mill, the India Paper Pulp Co., Ltd., has reached the figure which the Tariff Board assumed to be the ultimate lowest cost; the Titaghur Paper Mill is now slightly below this figure and for the last year the Bengal Paper Mill is Rs. 39 per ton lower. The Tariff Board's estimate was, however, based on the cost of production of bleached paper, and while the bulk of the output of the India Paper Pulp Co. is of this quality, a substantial proportion of the output of the Bengal Paper Mill, and to a lesser extent, of the output of the Titaghur Mills, consists of unbleached and lower quality papers. The lower cost of production of this quality accounts very largely for the lower overall costs.

5 In my letter of 27th June last it was shown that the average overall selling prices in 1935-36 of the Titaghur, Bengal and India Paper Pulp Co.'s Mills were As. 2-11-64, As. 2-8-33 and As. 2-11-23 equivalent to Rs. 416, Rs. 377 and Rs. 412 per ton respectively. The following statement shows

how these three Mills in the year 1935-36, based on the Tariff Board's estimates, lost more in the selling price than they gained by the reductions in works costs:—

1935-36.	Works Cost.	Gain on Tariff Board estimate of Rs. 327.	Selling price.	Loss on Board estimated fair selling price of Rs. 464.	Nett. difference Rs. per ton.
Titaghur . . .	294	33	416	48	15
Bongal . . .	261	66	377	87	21
I. P. P. . . .	301	26	412	52	26

The fall in the cost of raw materials such as bamboo, grass, wood-pulp, coal and chemicals, which has occurred since the last Tariff Board enquiry, and which has been largely responsible for Mill costs falling below the Tariff Board estimate, now appears to have been checked. Some items indeed for instance Coal—show a definite upward price tendency and it is quite possible that such further economies as can still be effected by improvements in technique will be more than offset by a rise in the cost of raw materials. It is extremely probable that the entry of new paper mills into the field will create competition for indigenous raw materials, with a consequent increase of costs.

6. On the sales side also the outlook is not encouraging. Imports from abroad continue to show cheaper and cheaper prices, and German paper in particular—subsidised by barter exchange—is now arriving in increasing quantities seriously affecting markets at the ports. At no time during the present period of protection have the Mills been able to secure for themselves that difference between the cost price and selling price which the Tariff Board anticipated; nor is it likely that they will be able to do so under existing conditions during the portion of the period which still remains. The Mills have seen original quotations of German "Wood-free" White Printing paper as low as £15 10s. per ton c.i.f. ports, equivalent to about 2 annas 9 pies per lb. landed duty paid including the surcharge. They estimate that the return to the German paper-mill is below 1 anna 3 pies per lb. or Rs. 175 per ton. They submit that no paper mill in any country in the world can produce at this price in view of the present cost of woodpulp and that these foreign imports therefore constitute proved instances of "dumping". While Continental countries use this country as an outlet for their surplus production, the Mills in the membership of this Association claim that it would be inopportune to remove, the surcharge, as the original protective duty granted is already being rendered nugatory by the import of paper below the cost of production in the country of manufacture.

7. There is one further point to which I am directed to invite the attention of the Government of India. Of the total Indian demand for protected qualities of paper, Mills in India now supply about 80 per cent. while the balance, consisting very largely of numerous special qualities, is imported. In this Association's previous letter it was pointed out that one effect of the removal of the surcharge would be an immediate reduction of 3 pies per lb. by the Indian Mills to enable them to retain their markets. The member of Mills are receiving frequent reports from their customers that the level of Indian Mills' paper prices is now above the level of prices of imported paper of similar quality; and it appears certain that Indian Mills' prices will at once begin to decline if the market is to be retained by them in face of the present foreign competition. There is no doubt that the inevitable fall in prices which would result from the removal of the surcharge would still further narrow the gap between costs and selling prices which is already substantially less than that estimated as fair by the Tariff Board.

8. In conclusion, the Mills venture again to submit that the removal of the surcharge at this juncture is likely to cause serious confusion in the paper market in India, and considerable losses to the Mills, without effecting any permanent increase in the volume of imported paper. They instruct me to add that they will, individually, be glad to amplify or explain any points of doubt arising out of the facts and figures submitted to your Department either by correspondence or by deputing representatives to wait on Government for the purpose.

(9) *Letter No. 269, dated the 14th March, 1938, from the Tariff Board to the Indian Paper-makers' Association, Calcutta.*

In continuation of this office letter No. 252, dated the 5th March, 1938, I am directed to request you to supply the Board with the following information as early as possible:—

- (1) Particulars regarding the different qualities in which subsidiary materials such as waste paper, rags, hemp rope, etc., are marketed and the average prices of different qualities.
- (2) Why so much Bewoid size has been imported by some mills and whether the installation of Bewoid sizing machines will reduce the import of sizing material.
- (3) Whether your Association considers any other classes of paper or boards should be shown separately in the Customs Returns.

(10) *Letter No. 192-P. M. A., dated the 5th April, 1938, from the Indian Paper-makers' Association, Calcutta.*

I am directed to acknowledge the receipt of your letter No. 269, dated the 14th March last and to furnish you with the following information on the three points raised in it:—

- (1) A statement is attached giving particulars of the different qualities of subsidiary materials such as waste papers, rags, hemp ropes, etc., purchased by the mills and the average prices of the different qualities.
- (2) *Bewoid size.*—Bewoid size has evidently been imported by some mills because they have no Bewoid size making plant. In the Association's opinion there is no doubt that it is much cheaper in the long run to make Bewoid size at the mill. The Bewoid size process, however, is a patent one and the owners of the patent ask for a relatively large initial payment in addition to the cost of the plant so that small mills may be disinclined to face the cost although in the end it might pay them to do so if the consumption of the mill is large enough.

It is also customary in some mills in England to purchase size ready made in drums, but it is doubtful whether it would be economic for mills in India to buy ready made size on account of the high cost of railway freight.

- (3) The interests represented by this Association are of the opinion that the Customs returns in respect of the different classes of paper and boards might be revised as follows:—

Packing Paper.—Show separate details of:—

- (a) Kraft.
- (b) Imitation Kraft.
- (c) Other wrapping and packing papers.

Printing Paper.—Show separate details of M. G. Poster Paper containing not more than 70 per cent. mechanical pulp:—

- (a) White.
- (b) Coloured.

Cartridge Paper.—Show separate details of:—

- (a) White and Tinted Offset Cartridge Papers.
- (b) Cartridge Papers other sorts.

Printing.—Show separate details of:—

- (a) Art Papers.
- (b) Other coated papers.
- (c) Imitation Art and Super calendered.
- (d) Printing other sorts.

Statement referred to.

	Per Md. d/d Mill.	Per ton. d/d Mill.
	Rs. A.	Rs. A. P.
Waste Papers—		
1. No. White cuttings	4 8 to 5 4	128 12 0
2. No. 2 „ „	3 6	92 3 0
3. Mixed „ „ „	3 0 to 3 8	85 5 0
4. Manilla and Buff „ „ „	3 6	92 3 0
5. Records „ „ „	2 12	75 0 0
Tailors Cuttings—		
1. Bleached „ „ „	12 0 to 13 0	327 13 0
2. Unbleached „ „ „	10 0 to 11 0	273 2 0
3. Bleached Hosiery „ „ „	10 8 to 12 0	286 14 0
No. 1 Rags, washed „ „ „	9 0	245 13 0
Hemp Ropes No. 1 „ „ „	4 0 to 5 0	109 4 3

(11) *Letter No. 377, dated the 5th/6th April, 1938, from the Tariff Board to the Indian Paper-makers' Association, Calcutta.*

I am directed to forward herewith a copy of letter from the President, Forest Research Institute and College, Dehra Dun, No. 1459/37-1-38, dated the 1st April, 1938, and to enquire whether there is any possibility of the use of talc in the manufacture of paper in India and for what special purposes it is used in Europe and America in the paper industry.

Letter No. 1459/37-1-38, dated the 1st April, 1938, from the President, Forest Research Institute and College, Dehra Dun, to the Secretary, Tariff Board.

With reference to your letter No. 274, dated the 14th March, 1938, I have the honour to say that we recently received a letter on the subject of talc, from the Jaipur Mineral Development Syndicate. Talc is used in Europe and America for special purposes in the paper industry. We have not done any work on it here. If the paper industry of this country intends to use it and wants us to do tests on it, we shall of course be pleased to do them, but at present we are doing no work on talc nor do we intend to do so, unless we are asked by the paper mills. We have too much other work of greater importance on hand.

(12) *Letter No. 194, P. M. A., dated the 7th April, 1938, from the Indian Paper-makers' Association, Calcutta.*

I am directed to refer you to my letter No. 192-P. M. A., dated the 5th April, 1938 and to the information given you on the first of the three points raised in your letter of the 14th March last. The statement attached giving particulars of the different qualities and the average prices of the subsidiary materials such as waste papers, rags, etc., purchased by the mills relates, I am to explain, to the Calcutta mills only. Other mills will, I understand, furnish you with these particulars in respect of their own respective areas.

(13) *Letter No. 197-P. M. A., dated the 12th April, 1938, from the Indian Paper-makers' Association, Calcutta.*

I am directed to acknowledge the receipt of your letter No. 377 of the 5th/6th April, 1938 and of its enclosure from the Forest Research Institute, Dehra Dun. You enquire whether there is any possibility of the use of talc in the manufacture of paper in India and for what special purposes it is used in Europe and America in the paper Industry.

2. In reply I have to inform you that my Committee understand that talc is sometimes used as an alternative to China clay; experiments with that object in view are being carried out with it here. Since clay and talc are both available in India the question of what proportion of each is used is of little importance, and the Committee feel that it should be left to the individual mills to make their own experiments. In the United States of America talc is used as a filler principally for book papers and especially those that are not to be used for fine printing, half tone work, etc. In that country it is said to be cheaper than clay and the use of it there depends a good deal on price.

(14) *Letter No. 198-P. M. A., dated the 19th April, 1938, from the Indian Paper-makers' Association, Calcutta.*

I am directed to refer, in continuation of my acknowledgment* of the 11th March, to your letter No. 252, dated the 5th idem in which you ask for an expression of the views of this Association (a) as to the lines of research work which, from the industry's point of view, it would be of advantage should be undertaken by the Paper Section of the Forest Institute at Dehra Dun; and (b) on the suggestion that the Paper Section of the Industry should be financed by means of a cess on the Mills' production of paper rather than, as at present, by voluntary contributions which vary in amount and which are not paid by all mills.

2. As the Tariff Board are doubtless aware, the mills previously comprising the membership of this Association have contributed annually, for the years 1936-37 and 1937-38, the sum of Rs. 3,250 towards the Paper Section of the Institute. When this arrangement was entered into in 1936 a tentative scheme of research was laid out with the approval of the mills concerned. The programme of work then formulated was fairly comprehensive; and while the contributing mills are not aware how far it has been prosecuted, as the Association has received no detailed report from the Institute, they understand that a good deal of work remains to be done and they recommend that the 1936 programme should, with certain modifications, be proceeded with as follows:—

- (1) Digestion and bleaching experiments on mixed species of bamboo and grasses;
- (2) Mechanical disintegration of bamboos with a view to finding out the best size of chips for digestion;
- (3) The causes of discolouration of pulps and papers and methods of preventing it;

* Not printed.

- (4) An examination of Indian clays and their comparison with imported clays;
- (5) The standardisation of testing methods in India;
- (6) The circulation of scientific and technical abstracts and notes;
- (7) The study of the possibilities of mechanical pulp and kraft paper from Indian bamboos and woods;
- (8) The study of the possibilities of alpha cellulose from bamboo for rayon, etc.

In addition, and in reply to the Board's specific enquiry on the point, the Association would be in favour of "refresher" courses for apprentices with chemical knowledge; and as is indicated by item 6 above, they would also appreciate the publication of scientific matter likely to be of use to the industry including the results of experiments and trials conducted by the Paper Section of the Institute.

3. As regards the method of financing the work of the Institute on paper and pulp, the mills in the membership of this Association would prefer, for a variety of reasons, to continue the existing system of voluntary contribution. Among their reasons for this view are, firstly the objections they have in principle to the imposition of a statutory cess on their production to finance work over which they have no direct control and which is not in their own hands; and secondly, the fact that certain mills have already instituted their own research departments at their own expenses. They recognise, however, that the value of the work of the Forest Research Institute would be enhanced and stabilised if the Institute were guaranteed a fixed income from the paper manufacturing industry for a period of years. Discussions are accordingly taking place with a view to reaching agreement among members of the Association as to the scale and basis of contribution to be made annually towards the work of the Paper Section of the Dehra Dun Institute if possible for a fixed period.



**Evidence of Messrs. A. L. CAMERON, R. W. MELLOR, T. H. TODD,
T. VENKAJ, E. P. S. NARAIN, E. C. GOSS, M. P. GANDHI &
P. N. SINHA, recorded at Calcutta on Monday,
the 14th February, 1938.**

B.—ORAL.

President.—Before we begin the examination of the general representation put in by the Paper Makers' Association, I wish to make a few general remarks which we had made to the individual mills already. The Tariff Board has been called upon to consider the question whether protection to the paper industry which expires on the 31st March 1939 should be continued or not. The first point the Board have to consider is whether there is any case for the continuance of protection and for that purpose it is necessary for the Board to have facts and figures. What I mean to say is that a mere assertion that protection is necessary is of no value whatever. Of course with regard to the existing mills, they are in a position to furnish facts and figures according to their actual costs of manufacture. In regard to the new mills the position is different naturally. One mill which has recently begun to manufacture—I refer to the Sree Gopal Paper Mills— informs us that it is not in a position to give comparative costs, but the Board would like at any rate to have information about their works cost per ton of grass pulp also cost of manufacture per ton. In regard to the mills which have not started as yet,—I think the Andhra Paper Mills may also be classed as a new mill because they are adopting a new process of manufacture—we should like an estimate of what they think would be the cost of manufacture of pulp—I think bamboo pulp. In the case of the Andhra Mills there will be only bamboo pulp. In the case of the Orient . . .

Mr. Sinha.—Bamboo only.

Mr. M. P. Gandhi.—In the case of Rohtas, we propose to use both bamboo and grass.

President.—We should like to have an estimate of the costs. We know the figures given in the prospectus put in by the different companies. If you could give us any later information, this may be furnished. We should like to see these for comparison.

Mr. Sinha.—Yes.

President.—As I have said, the Board would first of all consider whether or not any protective duty should be continued. Supposing the Board is not going to recommend the continuance of protection, it does not necessarily follow that the recommendation would be accepted by the Government of India and the Legislature. The Board has got also to suggest in case protection is to be continued, what the amount of protection should be per ton of paper and per ton of pulp and to what classes of paper protection should be given: that is to say, whether the existing classification should be extended or restricted or in any way improved. These are the problems in outline which the Board have to consider. I should add that the Board has already seen the representatives of the four mills who are at present manufacturing pulp from bamboo and to-morrow we shall meet the representatives of the new mills manufacturing pulp from bamboo and also grass. In the course of that examination we will go into individual costs of different mills. At present we are only dealing with the points on which all members of the Paper Makers' Association are agreed. According to the list furnished by you there are 11 mills. The Deccan Paper Mills are not represented to-day. The Star Paper Mills are not represented: the Mysore Paper mills are not represented and also the Upper India Couper Paper Mills. We will examine them later at Lucknow. There are also some other mills, for instance the Punalur Paper Mills, who are not members of your

Association. As far as I am aware the other mills working or only recently started are the Punalur mill at Travancore and a newly started mill in Hyderabad. There is also a small mill in Bombay, apart from the Deccan Paper Mills, which is working intermittently. Are the Association aware of any other mills? In the last enquiry I understand mention was made of a mill working in Calcutta.

Mr. Todd.—They are making only boards. There is another at Sahadra near Delhi and also another recently started at Saharanpur, making only boards.

President.—The Board ought to consider them.

President.—There is a small mill in Bombay which I referred to just now which is making cardboard which we actually visited. They make boards for textile mills.

Mr. Mellor.—The one at Saharanpur I believe is using grass or straw. They have got a German machine which was imported four or five years ago.

President.—We may now proceed with the representation put in by the Association. The Association mention that in addition to bamboo, grass is used to a considerable extent by certain mills. What is the opinion of the Association—is bamboo likely to supersede grass and if so, completely or partially?

Mr. Mellor.—We do not think that one fibre will ever supersede the other. We think that there will always be grass pulp made.

President.—Even in mills which manufacture both bamboo pulp and grass pulp?

Mr. Mellor.—Yes.

President.—Do you consider that the proportion is likely to be reduced?

Mr. Cameron.—As the industry develops, we believe it will increasingly depend on bamboo for its supply of auxiliary material. There will be more room for ultimate development of bamboo than grass because the supplies of bamboo are much greater.

President.—From our preliminary examination of the figures I rather gathered that on the average the cost of bamboo pulp is less than the cost of grass pulp?

Mr. Mellor.—On the average, yes.

President.—So really unless grass is required for particular purposes, it is better to use bamboo from the mill point of view, I mean from the point of view of economy?

Mr. Mellor.—Yes.

President.—Granted that grass is required for certain qualities, ordinarily speaking it would be more economical to use a larger proportion of bamboo pulp than grass pulp?

Mr. Mellor.—That is correct.

President.—The view of the Association is that at present the level of prices for foreign paper and pulp is high and is not likely to be maintained?

Mr. Cameron.—Yes.

President.—What may be taken as the present price of imported pulp?

Mr. Cameron.—It is impossible to give an accurate figure but I think we may put it at somewhere between 16 to £17-10. This will cover our varying information about easy bleaching sulphite c.i.f.

President.—Converting that into rupees delivered at the mill including landing charges and freight to the mill what would that amount to?

Mr. Cameron.—Rs. 213 to Rs. 233 c.i.f.

President.—At present prices I take it it is possible for pulp to be produced in India at below that figure?

Mr. Cameron.—We believe so.

President.—Of course no one knows whether these prices will continue. The lowest price that pulp has touched in certain years has been below £9.

Mr. Mellor.—It is not below £9 now.

President.—£9 a ton?

Mr. Mellor.—That would be c.i.f.

President.—Landed at mill, including all charges, what would that amount to?

Mr. Mellor.—For a mill at a port, it would be about Rs. 125 plus duty and landing charges.

President.—That will, I believe, from our information, be below the cost of manufacture.

Mr. Mellor.—Yes.

President.—On this question of prices I think you rather want it to be dealt with by the individual mills from what you say in your general representation.

Mr. Mellor.—Yes.

President.—On this point the mills will submit evidence orally.

Mr. Cameron.—On the point of the measure of protection.

President.—I am dealing with the general representation at the moment, at the end of paragraph 3.

Mr. Cameron.—On the question of the probable level of foreign prices, I think we have dealt with that as an Association.

President.—What are the views of the Association on that point?

Mr. Cameron.—I think we all agree that it is impossible to say at what level prices are likely to settle down.

President.—Carrying a step further, does the Association think that prices are likely to remain at £16 a ton?

Mr. Cameron.—No.

President.—You agree that the view of the Association is that present prices are not likely to be maintained.

Mr. Cameron.—Quite.

President.—You cannot go any further than that?

Mr. Cameron.—No, except within very wide limits.

President.—Take the lowest level. Do you think that the price is likely to go back to £9 a ton?

Mr. Cameron.—No.

President.—They are not likely to return on an average to as low as £9 a ton.

Mr. Cameron.—No.

Mr. Gandhi.—Prices might fall sometimes.

President.—Of course in these matters the Board naturally have to take a sort of average.

Mr. Gandhi.—Yes.

President.—We will now take the detailed answers to the questionnaire. In regard to the question of freights I gather the Association has no particular comment to make except in regard to coal. Has the freight rate on coal been increased recently?

Mr. Cameron.—No.

President.—When was the surcharge put on coal?

Mr. Gandhi.—In 1931 or 1932.

President.—Was it before the last enquiry?

Mr. Mellor.—Just after the last enquiry.

President.—That is an important point. Will you obtain the information as to when exactly the surcharge was put on?

Mr. Cameron.—Yes.

Mr. Gandhi.—In regard to question 10 I understand the railways are at present contemplating some increase in the freights on bamboo.

President.—Any particular railway or all railways?

Mr. Gandhi.—The East Indian Railway.

Mr. Cameron.—In the case of other mills, the East Indian Railway and some other railways did increase freights on bamboo since the last enquiry, some two or three years ago. It may be this being a new mill that there has been a sort of necessary generally levelling up of freights.

Mr. Gandhi.—I am talking about the intention of the East Indian Railway, to increase the freight with effect from April, 1938.

Mr. Rahimtoola.—You are talking about the future.

Mr. Gandhi.—Yes.

President.—Where are you getting your supplies of bamboo from?

Mr. Gandhi.—On the East Indian Railway.

President.—In what direction?

Mr. Gandhi.—South Bihar.

President.—It is for the Association to make out a case in that respect.

Mr. Gandhi.—I am drawing your attention to the fact that the East Indian Railway are contemplating an increase of freight rates on this side.

President.—Let us pass on to question 25. In regard to the probable increase in capacities of mills, we have not yet got complete information. Replies have been dropping in rather late.

Mr. Mellor.—I have got a telegram this morning from the Lucknow Mills saying that their evidence is being posted. The delay has been occasioned by the strike in their mills.

President.—I should think the estimate of 20,000 tons is an underestimate. Have the Association received the Importers' or Traders' representations?

Mr. Cameron.—We have not heard anything from them.

President.—It is rather a pity. I want to raise some points raised by them and see what the Association has got to say. I have told both parties. There is no reason why their representations should not be interchanged.

Mr. Gandhi.—We have also agreed to do that.

President.—It would be a good thing if you came in touch with them and got hold of their representation. We are examining them on Wednesday. I propose to raise the points raised by them very roughly with you.

President.—Your estimate of 20,000 tons is not far out.

Mr. Cameron.—We say at least it will be 20,000 tons. It may be a little more.

President.—Not very much more from the information we have received. With the increase capacity the quantity of paper produced by all the Indian mills will be in excess of the present demand according to the figures furnished.

Mr. Cameron.—Yes.

President.—That will create a new situation. What are the views of the Association on that point?

Mr. Cameron.—During the last 18 months there has been some expansion in demand. Whether that will be maintained and whether that will be sufficient to absorb the extra production, it is impossible to say at this juncture.

President.—In your representation you took the demand of your protected papers as 60,000 tons.

Mr. Cameron.—Those are merely the figures for production in India and imports of these classes added together.

President.—Do you think that the present demand is higher than that?

Mr. Mellor.—The demand is about right. Our feeling is that there has been no material increase.

President.—What, in your opinion, is likely to be the normal increase in demand?

Mr. Mellor.—It depends a good deal on the relative prosperity of industries. If there is a boom, there will be more paper consumed.

President.—I am thinking of what may be called the increased demand owing to the increased population and increased literacy.

Mr. Cameron.—It is very difficult to say. Up to about 1930 the statistics show that there was a small steady annual increase in consumption. In 1930-31 just previous to the last enquiry there was a decrease. Since then there has been some increase. We can put in a statement showing the figures year by year for the period. It is very difficult after studying the whole period to say what is going to be the rate of increase in the future.

President.—It has gone up by 12,000 tons.

Mr. Cameron.—How far that represents the recovery from the slump and how far it represents new expansion, it is difficult to say.

President.—You feel you are not in a position to say. But given normal conditions, what do you think will be the annual normal increase in consumption?

Mr. Mellor.—On these figures it is somewhere about 1,500 to 2,000 tons.

President.—Supposing you knock off 2,000 tons for slump, it would come to about 1,500 tons a year.

Mr. Mellor.—That is about correct.

President.—What was the consumption before the slump? Have you those figures?

Mr. Gandhi.—With the increasing amount of money proposed to be spent by the present Congress Ministries on education it is likely that the consumption of paper may go up considerably.

Mr. Cameron.—If you look at page 7 of the 1931 Report, you will see that the total consumption of protected paper in 1930-31 is 49,046 tons and in 1929-30, 53,684 tons.

President.—Possibly the comparison must be between 53,000 and 60,000.

Mr. Cameron.—Yes.

President.—Allowing for the remainder to be taken up in the recovery, that seems to be more accurate.

Mr. Cameron.—Yes.

Mr. Gandhi.—There is a larger increase with regard to the unprotected kinds.

President.—What was the demand for unprotected papers? What is your slump figure?

Mr. Cameron.—The figure does not show unprotected separately, but the total protected and unprotected was 175,000 tons which fell to 154,000 tons.

President.—The comparable figures are 175,000 tons and 208,000 tons.

Mr. Cameron.—Yes.

President.—Of course in the total demand are included old newspapers which really do not come into the picture at all.

Mr. Mellor.—Yes. Paste boards also are included in that.

President.—Paste boards are not quite the same. It is possible that some mills may apply for protection but the Association has not put forward any claim for protection in that respect.

Mr. Mellor.—No.

President.—In order to absorb the increased production of Indian mills, individual mills are making their own representations.

Mr. Cameron.—Yes.

President.—One of the proposals put forward is that drawing cartridge should be included in the list of protected papers. What are the imports of drawing cartridge?

Mr. Mellor.—They are not shown separately.

President.—Can any estimate be made?

Mr. Mellor.—I think Mr. Goss gave you some figures.

President.—Are any of the new mills thinking of manufacturing that class of paper?

Mr. Narain.—We are.

Mr. Gandhi.—We have dealt with that question in the Association's reply to Question 53.

President.—The suggestion contained therein will be duly considered by the Board. We had statements of prices put in by the Paper Makers' Association and by the Importers. Unfortunately the importers have given in rupees per ton and you have given the prices in annas per lb. For instance, take creamlaid. For 1936-37 you have given it as 3 annas 2·77 pies. How much does that work out to per ton?

Mr. Cameron.—Rs. 452 per ton.

President.—The importers' figures do not seem to tally with yours. For instance, they have given £27·5 as the price per ton for creamlaid.

Mr. Cameron.—There is a material difference. Our figures are from April to March—9 months of 1936 and 3 months of 1937. In the beginning of April 1937, the increase had started.

President.—I must verify that. For 1936 the price given by the importers is £20·10.

Mr. Mellor.—That is somewhat nearer ours.

President.—In regard to cartridge paper, you have not given the figures in your representation.

Mr. Mellor.—There are some figures in the Titaghur evidence.

President.—What is the c.i.f. price?

Mr. Mellor.—It varied from £21·5 in 1931-32 to £19·5 in 1936-37. The average price is about £21.

President.—Is it drawing cartridge?

Mr. Mellor.—White drawing cartridge.

President.—There is always a difference between various kinds of cartridge.

Mr. Mellor.—In 1931-32 it was stated as white drawing cartridge and afterwards it is stated as white cartridge. But I think it applies to more or less the same quality.

President.—Your figures have varied very much during the period. Another item is bond paper. Have you got any figures for that?

Mr. Mellor.—As regards Bonds and Banks, in the Titaghur evidence the price is given as £20·5 in 1936-37.

President.—Is that for March 1937?

Mr. Mellor.—Yes.

President.—The later price is £30.

Mr. Mellor.—£33.

Mr. Rahimtoola.—The importers have given the price as £36 per ton. It has varied between £23 and £36 per ton.

President.—The comparison is not altogether easy.

Mr. Mellor.—No.

President.—Do you think that the Association will be able to supply us figures for a few more qualities of paper? Could you give us c.i.f. prices and the landed prices in rupees per ton? They will be useful for comparison with the prices given by importers.

Mr. Cameron.—Would you mention the qualities?

President.—In their Annexure "A", the importers have given us prices for Creamlaid, cartridge, bond paper and some other quality. I am not quite certain what it is.

Mr. Rahimtoola.—The other one is white printing.

President.—Are these British prices?

Mr. Mellor.—Yes. But our competition is with the Continent.

President.—They have given British prices because in their opinion the costs of production in England and in India are comparable, though other countries may have an advantage over India.

Mr. Mellor.—As an example of the difference between British prices and Continental prices, German wood free printing went as low as £15 in 1936—nearly £2 below other prices which we have given. Leaving aside British prices, it is against Continental prices that we have to compete.

President.—This is only to show that the cost of manufacture in India is unnecessarily high in comparison with British costs. As regards your reply to question 34, competition is keenest at the ports. That is natural except in Calcutta. Are there any specially favourable rates quoted to ports as opposed to other market centres?

Mr. Cameron.—In a sense, yes, because sea freights are almost invariably cheaper than railway freight for corresponding distances.

President.—Do you mean that the rail freights are brought down to meet the coastal freight rates?

Mr. Cameron.—There is a tendency in that direction.

President.—You must remember, in regard to sugar enquiry, special rates are quoted to all ports. It is not quite the same thing in paper.

Mr. Cameron.—There are special rates quoted to Bombay and Madras.

President.—We have asked for information in regard to freight rates.

Mr. Cameron.—We have given that.

President.—How do the shipping freight rates compare to the same ports?

Mr. Cameron.—The combined rail and sea freight to Bombay is about Rs. 7 a ton less than the direct rail freight.

President.—For instance, take Karachi.

Mr. Mellor.—In the case of Karachi we ship our deliveries.

Mr. Todd.—The rail freight to Karachi is prohibitive.

President.—To Madras and Bombay you sometimes send by rail and sometimes by steamer according to the season.

Mr. Cameron.—The sea freight is cheaper but the rail transport is quicker.

President.—In regard to upcountry markets mills have a certain amount of freight advantage judging by statements put in by individual mills.

Mr. Cameron.—Yes.

President.—In regard to question 37, what the Board had in mind was the test made to determine the mechanical pulp content of a paper according to the Spence and Krauss method. Are you quite satisfied with that?

Mr. Cameron.—Yes.

President.—As regards distinguishing writing and printing papers, there is the pen and ink test supplemented in special cases by other tests.

Mr. Cameron.—Yes.

President.—In regard to the question of sizing test, the Tariff Board of 1936 said "Every one says that it is very nice. We must have one". But we have not heard of a satisfactory suggestion as to what test should be applied.

Mr. Cameron.—That has been examined both by Government and by the industry. Apparently there is no test at present which is satisfactory.

President.—So we are still up against the same difficulty.

Mr. Cameron.—We believe the ordinary writing test works very satisfactorily in a majority of cases.

President.—Actually in Calcutta and Madras there were no disputes in the current year at all: there were a few in 1936 soon after the report on the classification came out. Bombay I do not recollect but there are only a few from any other.

Mr. Cameron.—Yes.

President.—Turning to your answer to question 53, the Association have put forward some suggestions about the extension of protection presuming that protection is continued or extended. The first is kraft wrapping paper, M. G. and Unglazed. That is at present not being made in India?

Mr. Cameron.—We believe not.

President.—Isn't there are a mill definitely contemplating manufacturing kraft wrapping paper?

Mr. Sinha.—The Orient Paper Mills are contemplating doing it.

President.—We will go into the costs of manufacture when we see them later on. At present it is not easy for the Board to recommend protection for any class of paper which has not yet been manufactured. There are rather obvious difficulties. However we will go into that with the mill which will manufacture kraft paper. What do you mean by Newsprint?

Mr. Cameron.—We understand that one of the new mills is contemplating making newsprint.

President.—Even if one mill made newsprint, the demand for newsprint is so large that a single mill would not be able to meet even a fraction of the demand for it.

Mr. Cameron.—I should explain that as an Association when one of our members say they are contemplating the manufacture of certain classes of paper and therefore want protection to be extended to those classes, we support it but leave it to the individual mills to establish its case.

President.—Newsprint is such a very wide term that I was not quite clear what you were thinking of.

Mr. Cameron.—I believe the Association is not in a position to define that more clearly.

President.—We shall hear more about it from the individual mills who have made their representation. With regard to Manila I believe there is some difference between imitation manilla and real manilla.

Mr. Cameron.—Yes.

President.—Is real manilla paper made in India at present?

Mr. Todd.—Yes.

President.—Would it be possible to distinguish real manilla from imitation manilla from the Customs point of view?

Mr. Todd.—Yes by the strength test, and by the price.

Mr. Goss.—The Manila that is coming into this country and used for envelopes which contains 70 per cent. mechanical pulp is very cheap. Real Manila is a very much stronger paper and we at present are manufacturing

the better quality, chiefly for the Government. Actually the better class of Manila is not really very much imported into India. Some comes for making account books but there is not much coming in for making envelopes.

President.—A good deal of manilla paper is coming in under revenue duty because it contains 70 per cent. mechanical pulp.

Mr. Goss.—That is not real manilla.

President.—Supposing protection was given to manilla I suppose it would not be claimed that it should be given to imitation manilla containing 70 per cent. mechanical pulp because it is not made in India?

Mr. Goss.—That is true. On that basis it is assessed at the revenue duty.

President.—It would be possible to distinguish that from what we may call real manilla without much complication from the Customs point of view?

Mr. Goss.—I think it would be quite easy for the Customs to distinguish.

President.—In regard to drawing cartridge, what is the position now?

Mr. Goss.—Drawing cartridge is used for drawing, the other is chiefly used for offset printing.

President.—The only cartridge paper not protected is drawing cartridge?

Mr. Goss.—Yes.

President.—What you really mean is that all kinds of cartridge paper should be protected? That is what the Association has suggested.

Mr. Goss.—Yes.

President.—On page 8 you refer to the glazed yellow casing paper, I do not think that it cropped up in any previous enquiries. What exactly is casing paper?

Mr. Goss.—Casing paper is wrapping paper.

President.—Why is it called casing paper?

Mr. Goss.—It is the trade name. I do not know the origin of it.

President.—Is it possible to distinguish it from wrapping paper as a class?

Mr. Mellor.—By price it can be distinguished.

President.—That is not a very satisfactory test, as you know!

Mr. Goss.—The majority of wrapping paper comes in glazed on one side and not on the other.

President.—There may be difficulty about this—I am not quite clear that the difficulties may be overcome.

Mr. Goss.—This particular paper is always imported as glazed casing paper, the paper being glazed on both sides. In the last classification of paper enquiry machine glazed paper was exempted from protective duty. This paper is still coming in paying duty as wrapping paper though it is actually used as writing paper in account books.

President.—I see the difficulty from the point of view of classification: from the point of view of Customs how can that difficulty be overcome?

Mr. Goss.—By the classification we have suggested in our representation, —by making casing paper subject to protective duty.

President.—Is it not rather difficult to distinguish? To put it in another way: is casing paper always glazed on both sides?

Mr. Goss.—No. I think casing paper may be also M. G. casing paper that is glazed on one side only.

President.—In that case it is extraordinarily difficult to make a practical distinction.

Mr. Goss.—In that case white casing paper could come in as wrapping paper and be used as writing paper.

Mr. Mellor.—The word casing was used in the last classification of paper enquiry on page 34.

President.—I still do not quite see how we can make a practical distinction.

Mr. Mellor.—If the paper is glazed on one side then it would come in under the revenue duty as wrapping paper. If it is glazed on both sides it ought to be subject to protective duty.

President.—Then from your point of view the whole question depends on whether it is glazed on one side or on both sides. That is the only distinction from your point of view?

Mr. Cameron.—Whether it is known as casing paper, which is new to the industry in India, or by any other name, there is the danger that a paper of light shade which can be used as writing or printing paper might be brought in under some other trade name; so on this particular point of casing paper if a definition could be broadly accepted that packing papers are papers glazed on one side and that papers glazed on both sides which are capable of being used as writing or printing paper should be assumed to be writing or printing paper, it would help the industry.

President.—The distinction is whether it is glazed on one side or on both sides.

Mr. Cameron.—This casing paper is a new term.

Mr. Rahimtoola.—It was mentioned at the time of the Classification of paper enquiry. It is known to the trade as sulphite paper?

Mr. Goss.—Yes

Mr. Rahimtoola.—Is not this paper used mostly for packing?

Mr. Goss.—That is very doubtful. These must be used for making account books. It came in sizes which indicate that it was used for account books.

President.—Is the price fairly high?

Mr. Goss.—It is fairly high for wrapping paper; I think it is £25.

President.—What is the average price of wrapping paper?

Mr. Goss.—£18 to 20.

President.—It is definitely a higher priced paper.

Mr. Goss.—Yes. Machine glazed will come in at a cheaper price.

President.—You definitely say that it is not used for wrapping?

Mr. Mellor.—We say that it is not used for wrapping, but it is imported as wrapping paper.

President.—You say: "similarly, there is also a loophole for this paper to be imported under the heading of "Manilla", if it is glazed on both sides".

Mr. Goss.—It can be imported as manilla if it is in yellow colour.

Mr. Rahimtoola.—Do you think that this paper can be used as writing paper?

Mr. Goss.—Yes in making account books, chiefly bazaar accounts.

President.—We will have to leave it at that for the present. We shall discuss this point later on with the importers and the Customs people. Another point you raise is about deep blue papers. Apart from wrapping, for what purpose are these deep blue papers used?

Mr. Mellor.—There again the suggestion is made to prevent deep blue papers coming in as writing paper.

President.—Are they actually used as writing paper?

Mr. Mellor.—Yes.

Mr. Goss.—Deep blue papers are very often used as writing paper.

President.—How could you distinguish between paper used for wrappings and paper used for writing?

Mr. Goss.—The only test is sizing. If it is hard sized and if it is deep blue, it can be used either as wrapping or writing paper.

President.—By adding the word “wrapping” it doesn’t seem to me to help matters very much.

Mr. Mellor.—It might help a bit if you put in the word “wrapping”.

President.—I cannot see at the moment that it will make any practical difference. Dark blue papers are often used for wrapping which may be fairly hard sized.

Mr. Mellor.—It is not likely to be fully sized.

President.—Dark blue paper is not quite well adapted to writing. The writing would not be very clear.

Mr. Mellor.—It is not as dark as that.

Mr. Goss.—Deep blue paper is sometimes used as writing, but not a great deal. I don’t think it is quite so important as the other paper which is definitely coming in as wrapping paper.

President.—I take it the Customs people do take dark blue paper as wrapping paper. Deep blues are treated as wrapping paper and light blues are treated as writing and printing paper. They do practically assume that all dark blue papers are wrapping papers.

Mr. Mellor.—The test is irrespective of the size.

President.—Can you send a sample of the kind of paper which is used for writing and the comparable paper?

Mr. Mellor.—Yes.

President.—If you produce some of your dark blue papers and some imported ones which are used for writing, we will ask the Customs people as to how they will classify.

Mr. Mellor.—Yes. We don’t lay stress on that. We merely put that in as a precautionary measure.

President.—You propose a modification of 44 (3) as proposed by the Classification Tariff Board in their Report on page 21.

Mr. Mellor.—Yes.

President.—In regard to your proposed change, I think there is great difficulty about white or buff casing, about white or buff manilla paper. I gather from what you just now said that you wanted us to make a real distinction between real manilla and imitation manilla.

Mr. Goss.—The chief thing is to stop paper coming in as wrapping paper, which is actually used as writing paper.

President.—Is the buff manilla paper above substance 28.6 grams per sq. metre? That is a more definite kind of test.

Mr. Goss.—That is a very thin paper.

President.—Anything below that would be very thin. A certain amount of manilla above 28.6 grams per sq. metre is actually used for wrapping.

Mr. Goss.—I don’t think very much is used for wrapping paper.

President.—What is it used for?

Mr. Goss.—For making covers, envelopes, etc.

President.—So far as I could see the only practical suggestion that is put forward is about paper glazed on both sides. Is it possible to give an idea how much wrapping paper glazed on both sides is actually imported?

Mr. Goss.—It is very difficult to give individual figures. Cases have been brought to our notice from time to time by our Agents and Branch Offices.

Mr. Mellor.—Very little of this paper is used for wrapping. I don’t think importers would lose very much by that.

President.—I trust that the importers will send you copies of their representation and answers to the questionnaire. One of their contentions is that all paper containing 70 per cent. mechanical pulp ought to be excluded from protection whatever use it is put to and that was really the intention of the original Tariff Board.

Mr. Cameron.—We can't say what the intention of the original Tariff Board was. That is not the wording.

President.—They say on the wording they gather that that was their intention. I should like to know what the other side have got to say.

Mr. Mellor.—I think the whole intention was really to allow newsprint to come in free. At the time of the first Tariff Board it was suggested that newsprint should be allowed to come in absolutely free under license.

Mr. Cameron.—There have been three tariff enquiries between this enquiry and the original one and I think the intention of the original Tariff Board on this point has not been raised before.

Mr. Rahimtoola.—I think the intention was to exclude newsprint even in 1925.

Mr. Mellor.—I think so.

President.—The importers contend that the mills in India ought to be able to manufacture paper cheaper—at any rate as cheaply as in the United Kingdom—and if they cannot, they do not qualify for protection.

Mr. Cameron.—We might subscribe to that ourselves if the conditions were the same. But they are materially and entirely different.

President.—They have tried to make out that the conditions are very much the same.

Mr. Cameron.—There we cannot agree. I can give you instances, if you like. I am speaking of mills which have had practical experience. Generally speaking the mills in India manufacture a far wider range of papers than is manufactured in a mill in England. We have a number of qualities, a number of substances and a number of sizes and the result is that a great deal of loss occurs in changing from one quality of paper to another. That is one point. I think I am also correct in saying that we are making a much larger percentage of light weight papers than an English mill in particular. In support of that I might mention that almost all our competition for the lighter weights is Continental and not British at all. I believe that English mills are in fact very unwilling to manufacture writing and printing paper in light weights except a very much higher class of paper for air mail work. That is a quality of paper very much higher than is made out here. In addition to that, we have to import our machinery, spare parts, stores, machine wires, jackets, chemicals and many others which are not made in India and which have to be imported. We have to keep large stocks and tie up our money. We have to pay duty. In some cases we have to pay for the deterioration of stocks. These are a few of the points that occur to me at the moment to show that the conditions in India are different.

President.—That reminds me of a question which we omitted to ask in our questionnaire, and that is, to what extent can machinery for paper making be made in India?

Mr. Cameron.—So far as I am aware, none at all.

President.—What about the new crushers?

Mr. Cameron.—They are imported.

Mr. Mellor.—Our crushers are made in India.

President.—Their contention is that practically all the machinery has to be imported.

Mr. Mellor.—Yes. Paper machinery is made only by a few specialist firms in Great Britain and on the Continent.

Mr. Cameron.—I believe there are only 7 or 8 firms in Europe which can supply a complete paper Mill.

President.—I shall tell you what the importers say. In England all pulp has to be imported. On the other hand in India you have got your raw materials in various quantities. You will agree to that.

Mr. Cameron.—Yes.

President.—Then in regard to coal, their contention is that coal is cheaper in India than in England.

Mr. Mellor.—Even in England some mills get very cheap coal.

Mr. Cameron.—Pithead prices are cheaper but there are such things as freight and quality.

President.—They say that the English coal has a higher calorific value but that the Indian coal is much cheaper per ton.

Mr. Cameron.—On the other hand there is probably a compensating advantage in the Grid scheme by which mills get cheaper current than any of them could individually manufacture it themselves.

President.—As regards chemicals their contention is that in England also sulphur has to be imported as in India and rosin has to be imported also.

Mr. Cameron.—I believe technically they are correct but the Pulp which they use is mainly made abroad. In any case sulphur is not required for all processes. That is a raw material only for the sulphite process.

President.—Rosin has to be imported in England while it is available in India.

Mr. Mellor.—Local prices follow very largely the import prices.

President.—Their main contention is that the conditions in the United Kingdom and India are more or less comparable. The British paper is cheaper to make and better in quality. That is their main contention.

Mr. Mellor.—Actually they are buying pulp from countries very near, paying a very small freight, and they are also getting the advantage of cheap pulp made in mills which turn out 100,000 tons a year.

President.—If your Association could put in their replies to the points raised by the importers, they would be useful.

Mr. Cameron.—Yes, we will do so.

President.—They contend that 25 per cent. of the paper made in India is still made from imported pulp. That is a question of figures. We have got your figures. I think the proportion is on the whole lower than 25 per cent.

Mr. Cameron.—I should think so.

President.—That is a question of fact.

Mr. Mellor.—Exactly

President.—That reminds me of one point in regard to the mills which are already manufacturing. I have looked into the proportion of grass and bamboo pulps in those mills which are already using both. Has the proportion of bamboo pulp to grass pulp decreased in 1937? You have given figures up to 1936-37. In 1937-38 has there been any change in the proportion of bamboo to grass?

Mr. Mellor.—We are actually using about 60 per cent. bamboo pulp and 50 per cent. grass pulp at No. 1 mill and in the other mill we are not using grass.

President.—Has there been any change in 1937-38 as compared with 1936-37?

Mr. Mellor.—During the last year we have increased our bamboo pulp production and we are using more bamboo pulp.

President.—What about the Bengal Paper Mills?

Mr. Todd.—We have increased the quantity of our bamboo pulp as compared with 1936-37.

President.—What is likely to be the tendency in the future? Is there going to be an increase?

Mr. Mellor.—Yes, on the bamboo side.

President.—Is that the opinion of both the mills?

Mr. Todd.—Yes.

President.—With regard to new mills, one mill, I know, is going to use grass only. Are those mills who are going to use bamboo and grass going to increase the proportion of bamboo pulp?

Mr. Venkaji.—We are going to use bamboo only.

Mr. Sinha.—We too shall be using bamboo only.

Mr. Gandhi.—We are going to use both bamboo and grass.

President.—I gather you will concentrate on bamboo.

Mr. Gandhi.—Yes.

President.—That is a point which has to be considered because the question of protection is based mainly on bamboo. The importers again raise the question about the cost of converting pulp into paper in India.

Mr. Mellor.—Is it about the spread?

President.—Yes.

Mr. Cameron.—Is it a distinct point? I do not quite understand how the question of spread differs from the comparative costs of paper making in India and England from the pulp to the paper stage.

President.—I suppose what they mean is that the cost of conversion is too high in India.

Mr. Cameron.—We have dealt with that point before.

Mr. Rahimtoola.—It is really the same thing.

President.—The importers contend that the paper industry has been protected in order to encourage the production of bamboo pulp at a cost of Rs. 10 crores to the consumer. That is a matter of opinion.

Mr. Cameron.—Yes.

President.—Their main contention in regard to the question of writing and printing paper is that the purpose for which the paper is used is irrelevant. That is their main point to which no doubt you will reply.

Mr. Cameron.—Yes.

President.—The importers estimate that there will be overproduction of 32,000 tons with the new mills coming in. Your estimate was about 18,000 tons.

Mr. Todd.—Approximately an extra 20,000 tons of protected paper.

Mr. Rahimtoola.—The two important questions that I thought would be replied to by your Association are Indianisation and measure of protection. I find that the three old mills suggest a sliding scale and the new or reconstructed ones want protection of 1 anna 3 pies per lb. As you are aware, the question of Indianisation was very strongly stressed by the Indian Fiscal Commission, and owing to that some penalties were proposed last time if they did not carry out this recommendation.

Mr. Cameron.—On the question of Indianisation I believe all the mills have replied in detail, but as an Association we have not Indianised except in the sense that we have now a larger number of Indian members in our Association.

Mr. Rahimtoola.—The intention was that the staff employed by individual mills should be Indianised.

Mr. Cameron.—We have dealt with that individually.

Mr. Rahimtoola.—The other thing is the question of the measure of protection on which I find there is a difference of opinion but the Board will have to consider the question of protection to the industry as a whole.

Mr. Cameron.—We as individual mills shall be pleased to discuss this with the Board.

President.—In regard to the new mills we will discuss this question but I may indicate one or two points which we will no doubt raise. In starting

now they will have the benefit of the existing protection apart from the surcharge. Till March 31st, 1939 protection is guaranteed. Another point is in regard to this question of surcharge. The protection granted by the surcharge was entirely fortuitous and was not given purposely by any Tariff Board to the industry, and on that ground it may be a little difficult for the new mills to claim it. That is giving them more protection than the mills enjoyed in 1925 and 1931.

Mr. Rahimtoola. They want 1 anna 3 pies per lb.

President.—The third point to be raised is that at present the price of paper is higher as compared to the price prevailing during the enquiry of 1925 and in 1931. I think that is a correct statement.

Mr. Cameron.—Certainly in 1931; I am not quite sure from memory about 1925.

President.—I have already suggested one point, namely that we shall have to go into their estimates of the cost of production very closely. It is very difficult for the Tariff Board to deal with hypothetical figures. We want facts and figures as far as possible.



18. Chambers of Commerce and Associations.

- (1) *Circular letter No. 18, dated the 5th January, 1938, from the Tariff Board to certain Chambers of Commerce.*

With reference to the Government of India, Department of Commerce, Resolution No. 202-T. (1)/36, dated the 11th December, 1937, asking the Tariff Board to enquire into the desirability of continuing measures for the protection of the Bamboo Paper and Paper-Pulp Industries after 31st March, 1939, when the present protective duties expire, I am directed to enclose herewith three sets of questionnaires for:—

- (1) Manufacturers,
 - (2) Importers and Traders, and
 - (3) Newspapers, printers and publishers, and to say that the Board would be glad to have any comments that you may be pleased to make. I am also to enquire whether your Chamber desire to tender oral evidence.
2. Reply (with 4 spare copies) may kindly be sent not later than January 31st addressed to Secretary, Tariff Board, 1, Council House Street, Calcutta.

(2) The Muslim Chamber of Commerce Calcutta.

LETTERS FORWARDED TO THE TARIFF BOARD, BY THE GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE, NEW DELHI.

- (a) *Letter No. G. I. 1/37, dated the 9th December, 1937, from the Muslim Chamber of Commerce, Calcutta to the Government of India, Department of Commerce, New Delhi.*

I am directed by my committee to invite your attention to the fact that the duty on imported Ticket Boards (80 per cent. in some cases) and printing paper (1 anna 3 pies per lb.) is the same as on finished goods, i.e., printed materials. As there is no difference of duty on finished (printed) articles and unfinished articles, the Indian printing industry has to face insurmountable difficulties in their way and the business is transferred to foreign countries. Consequently the Indian printing industry has to suffer a great deal and even the Government revenue is thereby affected as the Government could levy higher rates on printed materials.

It should also be considered that bulk of paper is imported from outside India and it is only expedient that at least the printing business should be done here to save a part of the drain of money from this country. Almost all the foreign firms doing business here in India and flourishing with Indian capital get their printed materials supplied from their own countries. It is therefore requested that the Government of India should give some support to the Indian printing industry to enable it to stand on its own legs by increasing the duty on printed materials imported from abroad. Such a step will go a long way to relieve the economic distress and general unemployment in the country. A request of this nature is not at all unreasonable as several other countries have resorted to measure of this kind to protect their home industry. My Committee are aware of cases where preferential duties of foreign Governments prevented parties in other countries from accepting "lowest favourable offers" for printing from India.

- (b) *Letter No. 38-T. (3)/37, dated the 3rd January, 1938, from the Government of India, Department of Commerce, to the Muslim Chamber of Commerce, Calcutta.*

IMPORT DUTIES ON TICKET BOARDS, PRINTING PAPER AND PRINTED MATERIALS.

With reference to your letter No. G. I.-1/37, dated the 9th December, 1937, on the above subject, I am directed to invite your attention to this

Department Resolution No. 38-T. (2), dated the 28th March, 1925, and to say that in the event of a manufacturer in India considering himself hampered by the fact that the duty on the finished article, in the manufacture of which he is interested, is lower than the duty on the material which have to be imported for the manufacture of that article it is open to him to address the Tariff Board in accordance with the terms of the resolution. A copy of the resolution is enclosed for ready reference.

(3) The Andhra Chamber of Commerce, Ltd., Madras.

Letter, dated the 30th January, 1938.

The Committee of the Andhra Chamber of Commerce are decidedly of the opinion that the existing protection to the indigenous paper and paper-pulp industries should be continued for another period of seven years after its expiration as and from 1st April, 1939. As a result of the protection granted to the industry from 1st April, 1932, it is undeniable that the industry has progressed both quantitatively and qualitatively. India made papers compare favourably with imported papers both in price and quality. But seven years are too short a period for any industry to establish itself firmly. In view of the protection granted three new paper mills have been started though they have not as yet commenced manufacturing. Old mills have also been overhauled with a view to increase production as also to avail themselves of the latest technical improvements. It would be nothing short of a tragedy if at this stage, protection is withdrawn from the industry. It cannot be said of paper industry as it can be said of some other industries that it has bolstered up inefficiency. There has been a progressive decline in the cost of production of the old mills. As it is, however, they are not in a position to hold their own against foreign rivals without the aid of protection. India made paper is now largely used by standard publishers as well as commercial offices. The cost of paper has not in the least affected the amount of printing and publishing done in India. Nor has any other industry been affected by the protection granted to paper.

One of the arguments addressed in favour of withdrawal of protection from sugar industry is that, if protection is continued, it will lead to increased overproduction. The same argument has sometimes been urged against the continuance of protection to paper. It is clear, however, that the argument is inapplicable. India produces only 40,000 tons of paper, while she imports nearly one lakh tons per annum from abroad. The various varieties of paper imports are classified below:—

	Tons.
Newsprints	1,866
Printing other than newspaper	11,568
Old Newspapers	41,134
Other kinds of paper	4,539
Boards	15,424
Total	<u>74,531</u>

Out of a total of approximately one lakh tons, 33,000 tons represents newsprints and printing which cannot be manufactured in India at prices which can successfully compete with, say, Norway. Old newspapers represent 41,000 tons and these too must be left out. It has been further pointed out that the other classes of paper are those which are needed in such odd sizes and in such specialities, that it will be economically impossible for Indian manufacturers to undertake their manufacture. In short, existing mills are actually turning out 90 per cent. of the country's consumption of the

classes of paper manufactured by them, the imports bring only a bare 10 per cent. The conclusion, therefore, is that protection will have the effect of leading to overproduction which would not be to the interests of Indian manufacturers themselves.

This, however, is an erroneous view. Although newsprints cannot be economically manufactured in India, there are other classes of paper which Indian manufacturers would be willing to undertake in case of protection is continued. Further even as regards the classes of paper which to-day are protected, it would be a mistake to think that their production has reached the saturation point. With the establishment of popular ministries in the provinces having ambitious schemes for the promotion of primary education, there is bound to be a steady increase in the demand for paper. The existing output will be wholly insufficient to meet the demand. If, therefore, protection is withdrawn the least that we may expect is that the additional demand will have to be met by imports, as, without it, manufacturers will not risk an increased production. For these reasons, the Committee of the Andhra Chamber of Commerce recommend that the existing protective duties of one anna per pound on writings, printings, banks, etc., and of Rs. 56-4 on every ton of wood imported to India be continued for another period of seven years.

(4) Industrial Association, Merchants Association and Printer's Representative (Rajahmundry).

Appeal to the Tariff Board for continuance of protection to Indian Paper and Pulp Industries, dated the 5th February, 1938.

We pray that the protection for the Paper and Pulp Industry in India may be continued for a period of ten more years for the following reasons:—

1. In every country (practically without exception) paper is a protected industry.
2. The protection given in previous years has considerably improved the Indian Paper Industry. Some more mills have come into existence and some are being contemplated still.
3. Due to previous protection, the demand in the country for the Indian made paper increased and people are slowly ignoring to go in for foreign paper.
4. The quality of the Indian paper is increasing to good finish.
5. At present, cheapness is aimed at and that can be certainly achieved during the period of the next decade of protection.
6. The period from 1932 till now has experienced a peculiar state of financial depression and commercial dullness. So the market was not sharp and hence much progress was not achieved in the Paper Industry whereas under normal circumstances rapid progress would have been gained.
7. Now the market has become steady though we are not relieved of the financial depression. The national spirit has been influencing the marketing in all articles. With the new political reform in the Government and the rule of the Congress Government in several provinces the attention of the Indian mind is being attracted to Indian goods only. At this state if the temptations with cheapness of rates and greater blaze of the foreign paper were to seduce the mind of the Indian; it gives a death knell to the Indian Paper Industry, which is made popular in all varieties. The next step is to aim at cheapness and higher efficiency. Now that the industrial awakening is rapidly spreading in the Indian atmosphere if the protection is extended cheapness and efficiency can easily be attained.

8. The protection, if afforded will make the Indian Industrialist to be free from the anxiety of foreign competition and to proceed with experiment to achieve at cheapness and efficiency. Now the attention of the Indian is drawn to demand for Indian paper and this demand must be made steady and unshaking by the protection.
9. Without the protection, we cannot hope to run the Andhra Paper Mills Co., Ltd., without loss and the other paper mills cannot stand the competition. The Indian Paper Mills shall have to be closed shortly, throwing out of employment about a lakh of skilled and unskilled labourers, and leaving the raw material without any price or demand.

In conclusion, if protection is not afforded further, India will be made eternally to depend on other countries, not only for goods of luxury but also for things of daily necessity. This failure of the paper industry will discourage and disuade the growth of any other Industrial activities.

(5) Punjab Chamber of Commerce, New Delhi.

Letter No. 122/694/38, dated the 9th February, 1938.

We have the honour to refer further to your letter No. 18, dated the 5th ultimo in connection with your Board's enquiry into the desirability of continuing measures for the protection of the Bamboo Paper and Paper Pulp Industries after the 31st March, 1939, when the present protective duty expires and to forward, for the Board's consideration, copy of a communication which we have received from a member replying to your questionnaire for newspapers, printers and publishers. As the Committee of the Chamber have no further points to place before the Board they will have no oral evidence to tender.

Copy of letter No. BJK/DW, dated the 5th February, 1938, from the Managing Editor, Delhi Branch, The Statesman, Ltd., New Delhi, to the Secretaries, Punjab Chamber of Commerce, New Delhi.

With reference to your letter No. 35/694/38 of the 11th ultimo, we would inform you that as reeled paper made from soft pine pulp, suitable for rotary presses, is not manufactured in India, we have to import all our newsprint from abroad. We are, therefore, not in a position to express an opinion about the quality of Indian made paper for newsprint purposes and as imported newsprint carries only a revenue duty, we are not affected by the protective tariff in so far as our newspaper requirements are concerned.

As regards paragraph 6 of the questionnaire, we wish to state that on several occasions we have had cause to complain about the methods employed for determining newsprint for Customs purposes. The existing mechanical and chemical tests are, in our opinion, not adequate and do not form an exact method for distinguishing, for example, between a hard sized paper and a thick highly finished newsprint which is not hard sized.

The test until lately employed in the Government Laboratory for this purpose depends for its accuracy on the nib used, and will moreover, give totally different results according to the humidity of the paper at the time of the test, the viscosity of the ink and the pressure of the nib.

Owing to the inaccuracy of this test it sometimes happens as in the case of a shipment of newsprint we imported by the s.s. "Modasa" in August, 1936, that paper is wrongly assessed and not admitted as newsprint under section 44 (2) of the Sea Customs Act. The assessment in this instance was, we would add, subsequently reversed on our appealing to the Governor General in Council.

(6) Indian Chamber of Commerce, Calcutta.

Letter No. 339, dated the 18th February, 1938.

With reference to your Circular letter No. 18, dated Poona, the 5th January, 1938, with which you enclosed three sets of questionnaire in connection with the Tariff Enquiry into the desirability of continuing the measure for the protection of the Bamboo Paper and Paper Pulp Industries after the 31st March, 1939, when the existing protective duties expire, I am directed to state below the considered views of the Committee on the question.

Although it is true that protection to the Paper Industry was granted in 1932 for a period of seven years which is to expire in March, 1939, the Committee need hardly point out that it is only during the last two years that new concerns have come in the field. Many of them have not yet started manufacturing operations. Under the circumstances, it is obvious that if the scale of protection at present granted to the industry is in any way lowered or removed, it will definitely be harmful to the interests of the many newly started Indian concerns and would subject them from the start to competition from long-established foreign industries. It is, therefore, essential that in order that the objects with which protection was granted may be achieved no recommendation should be made at present for lowering or removing in any way the existing measures of protection. The present measure of protection was given in order to enable Indian bamboo resources to be properly exploited but as it is only within the last year or two that some of the large schemes for the utilisation of these bamboo resources have materialised and even among these many have not yet commenced actual production, it is essential that the Board should recommend the continuance of the existing measures of protection in order to enable this indigenous industry to develop and to be able to meet any possible competition from outside.

Protection is at present confined to only a certain class of papers, ostensibly those which could easily be manufactured from bamboo. The Committee find that the increase in India's consumption of the protected varieties of paper was from 49,000 tons in 1930-31 to 55,000 tons only in 1936-37, her consumption in respect of the unprotected varieties over the same period increased from 105,000 tons to 153,000 tons. It would thus appear that there is considerable scope for the expansion of the paper manufacturing industry in this country in some of the unprotected varieties. The Committee are given to understand that as a result of recent experiments, it has been found that it is possible to manufacture certain varieties of packing paper particularly kraft paper, from bamboo pulp. It is well-known that the productive capacity of the existing mills in the country in respect of the present protected varieties of paper has considerably increased in recent years and, therefore, the diversification of manufacturing activities to other classes of paper would not only help in the further utilisation of the country's bamboo resources, but would also be very desirable for the healthy and all-round development of the industry. The Committee understand that packing paper of the value of about 50 lakhs of rupees is imported every year in the country and about two-thirds of these imports are of the class which can be manufactured from bamboo pulp. The extension of paper manufacturing activity in these directions can, however, be made only if the particular classes of papers are also included in the scheme of protection and adequate security if afforded to the Indian industry against any possible competition from outside. There is no reason why India, with her abundant supply of raw materials and a vast market should not be able to produce, if not all, at least a substantial part, of her requirements of paper provided the industry is given adequate protection.

The Committee, therefore, trust that not only will the Tariff Board recommend the continuance of the present protection but would also recommend its extension to other classes of paper at present unprotected, particularly packing paper including kraft and imitation kraft.

The Committee hope that the above views will receive careful consideration of the Board, in formulating their recommendations to the Government of India.

(7) Southern India Chamber of Commerce, Madras.

Letter No. G. 259, dated the 23rd February, 1938.

My Committee have considered the questionnaire issued by you regarding protection to the Indian Paper Industry and I am directed to forward the following views of my Committee with the necessary spare copies:—

2. The progress of the industry during the period of protection will be clear from the increase of indigenous production in factories from 804,341 cwts. in 1932-33 to 970,625 cwts. in 1936-37, while the import of protected varieties of papers shows an increase from 229,812 cwts. in 1932-33 to 236,788 cwts. in 1936-37, the import of unprotected varieties shows a tremendous increase from 2,409,737 cwts. in 1932-33 to 2,965,799 cwts. in 1936-37, showing the increase in consumption and the scope for extending protection to other classes of paper. The reduction in the import of raw materials for paper manufacture from 312,849 cwts. in 1932-33 to 221,225 cwts. in 1936-37, shows the increasing dependence of local manufacturers upon indigenous sources of raw materials. It is a matter for congratulation that at a time of severe depression the local industry was able to make so much progress but it is regrettable that such a large proportion of internal consumption as 75 per cent. of it is still to be met from imports. The Tariff Board has therefore the duty of recommending for a revising and extension of the classes of protected paper and adjustment of tariff so as to make India reach a state of self-sufficiency by the end of the next period of protection.

3. The following points in your questionnaire are separately dealt with:—

Quality of Indian Paper.—After the last increase in the protective duty the quality of Indian paper has definitely improved, so much so that it is slowly gaining ground in the Indian market. One feature of the Indian paper that appeals to printers and publishers is that, weight for weight, the paper looks bulkier and thicker. Indian paper is mainly used for writing, and for printing of books and pamphlets.

One defect which continues to appear is in respect of bleaching. Indian paper shades have yet to improve. It is matter for further research.

Effect on Printing and Publishing Industries.—Indian paper is becoming more and more popular among printers and publishers. Printing presses have increased in number and publications have also been regularly increasing. The increased cost of paper had no effect upon the volume of printing and publishing. It may, however, be mentioned that the general rise in the prices of paper in the course of the last 18 months is a complicating circumstance.

Unbound Printed Sheets.—There is no import in Madras.

Newsprint Test.—The present test is working without hardship to any interest. It may be continued.

Other Industries Affected.—Nil.

Further Protection.—The present protective duties should continue at the same rate but the classes of paper should be widened so as to include mechanical glazed paper and pasteboard, millboard and strawboard, as there is scope for their manufacture in India.

Classification.—The present classification may continue.

Surcharge.—The present revenue surcharge has had beneficial effect upon local manufacture. The Chamber would recommend that it should be continued so long as the Central Budget depends upon any revenue surcharge at all.

(8) Bangalore Commercial Association, Bangalore.

Letter No. 33/38, dated the 26th February, 1938.

A copy of the Resolution received from the Department of Commerce, Government of India, dated December 11th, 1937, regarding the question as to whether the protective duty in connection with the Paper and Paper Pulp Industries in India should continue, was forwarded to my Association by the Hon'ble the Resident's Office of Mysore *via* the Collector, Civil and Military Station, Bangalore.

This was considered by the Committee of my Association at its meeting of yesterday's date, and also circulated to those members directly affected by such protective tariff.

The following Resolution was unanimously passed:—

“Resolved, that the Tariff Board should be informed that the Bangalore Commercial Association considers the 25 per cent. revenue surcharge, which was imposed in 1931 as protection for the Paper and Paper Pulp Industries in India, should be abolished or considerably lowered, until such times as the indigenous paper factories can supply suitable paper to cope with the country's requirements. Further, when protective tariffs are imposed, legislation should be introduced to fix the selling prices of the indigenous protected products at a sufficiently lower rate than the taxed imported product, so as to enable the consumer to get a reasonable benefit when using the country made product.”

Appended is a copy of the views of a leading local paper on this matter which I have been asked to forward you.

Copy of the views of the “Daily Post”, Bangalore.

The Government of India, Commerce Department, expressed in their order, dated the 3rd February, 1932, their inability to accept the recommendation made by the Tariff Board (paragraph 101 of the report) that “in the event of their proposals in regard to the measure of protection to be afforded to the industries being accepted, steps should be taken at the earliest possible opportunity after the passing of the Act to specify as definitely as might be possible the classes of paper which are by ordinary trade usage included in the term *printing and writing paper* as used in the Import Tariff Schedule. They further stated that the statutory definition of “protected classes of paper” gave rise to difficulties in interpretation and declared that if protection were given for a further period to the paper industry they proposed to proceed to a revision of the basis of assessment to duty of imported paper in consultation with the different interest concerned in such a way as to obviate disputes regarding interpretation of the Tariff. They also undertook to place the result of such revision before the legislature.

In accordance with their announcement, the Government of India consulted the various interest concerned in the matter of the broad scheme of classification, the central idea of which was the specification of non-protected papers and grouping of all orders in the residual protective class.

The views received have, however, been so divergent that it has been impossible to arrive at any satisfactory conclusion.

The Government of India considered in these circumstances the question should be investigated by the Tariff Board and asked the Board to examine the classification of paper for purposes with a view to recommending such changes as may be considered necessary protection to printing and writing paper under the Bamboo Paper Industry (Protection) Act, 1932.

As per statement, the invidious distinction shown by the Government in impressing a revenue discharge of 25 per cent. in 1931, on Newsprint not of the mill reels variety—but only on the flat paper that are being used in a majority of newspaper offices in India (save a few papers in Madras and elsewhere) is hampering newspaper business a great deal.

It will be clear when we state that flat Newsprint is not under “protected class of paper” as it cannot be made in India at present and that it is not economical proposition to manufacture newsprint in India for some more time. The consumers of large quantities of newsprint of flat type for daily production of newspapers (which are a sure measure of cheap adult education in these days of drive against illiteracy) consider it high time that the revenue surcharge of 25 per cent. imposed by the Government of India should be removed forthwith as such a step is “no longer justifiable”.

(9) The Buyers and Shippers Chamber, Karachi.

Letter No. G. C. 40/424, dated the 3rd March, 1938.

With reference to your letter No. 18, dated the 5th January, 1938, I am directed by the Committee of my Chamber to state as under:—

The Chamber forwarded copies of the three sets of the Tariff Board's questionnaire for (a) Manufacturers, (b) Importers and Traders and (c) Newspapers, printers and publishers, to the members interested, who have replied to say that it would take much longer time to answer the several questions in necessary details. The members are still in communication with their principals as regards the details, but have expressed to the Chamber their general views.

On careful consideration of this matter, the Committee of the Chamber wish to emphasize the necessity of continuing measures for the protection of the Bamboo Paper and Paper Pulp Industries after 31st March, 1939, when the present protective duties expire. They would point out that the protection has considerably helped the productive capacity of the mills in protected varieties of papers, and that generally speaking Indian paper now compares favourably with imported qualities of similar type. The Committee would submit that the time has now come when with adequate protection it will be also possible to manufacture the varieties which at present are unprotected. For instance, it has been brought to the notice of the Chamber that as a result of recent experiments it has been found possible to manufacture certain varieties of packing paper known as kraft paper from Bamboo pulp. There is considerable scope for expansion of paper manufacturing industry in India and realising the possibilities of the industries under State protection, many new concerns have come into the field in recent years. The continuance of adequate protection will be needed till the Bamboo Pulp and Paper Industries are placed on a firm footing so as to be able to withstand world competition. If protection is curtailed or withheld at this stage it would mean disastrous to the industries.

Under the circumstances, the Committee of the Chamber urge that the Tariff Board will be pleased to consider the question sympathetically, and looking to early stages of the industries and the vast scope for their expansion recommend continuance of the existing protection and extend same to unprotected varieties with a view to ensuring healthy and all round development of the Industries concerned.

It is earnestly hoped that my Committee's above views will be taken into due consideration.

(10) The Bihar Chamber of Commerce, Patna.*Letter No. 191, dated the 11th March, 1938.*

The attention of my Committee has been drawn to the enquiry undertaken by the Tariff Board for considering the question of the continuance of protection to the Paper Manufacturing Industry.

While my Committee do not propose to send you any detailed reply to the questionnaire issued by you, they feel that in view of the excellent development of the Industry during the last few years, as also of the possibility of further development of the Bamboo Paper Industry in India, the protection to the industry should be continued for a further period of 7 years at the present rate, namely, As. 1-3 per lb.

In this connection, the Committee would also like to bring to the notice of the Tariff Board, that lately, considerable Indian capital has been invested in the paper industry, and if the protection is reduced or taken away at this stage, it will be a considerable hardship the new mills.

My Committee also suggest to the Tariff Board the possibility of inclusion in the schedule of protection, other kinds of paper which can be manufactured by the paper mills within the country.

(11) The Indian Merchants Chamber, Bombay.*Letter No. 822, dated the 12th March, 1938.**Subject.—PAPER INDUSTRY ENQUIRY.*

I am directed to acknowledge receipt of your letter, dated the 5th January, 1938, No. 18, forwarding the Questionnaire issued by the Board in connection with the above enquiry.

The Questionnaire asks for much detailed technical and other information, which my Committee feel may best be left to be furnished by the manufacturers. They would, therefore, confine their remarks to the general question of the need for continuing the protection to the industry.

2. The consumption of paper in India, both imported and indigenous, has increased after the last Tariff Board enquiry, as will be evident from the following figures:—

(In tons).

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
Total quantity of paper imported (including Pasteboards).	109,535	131,977	128,180	146,762	166,647	160,149
Total quantity manufactured by Indian Mills.	40,714	40,200	43,650	44,600	48,100	48,550
Total consumption	150,249	172,177	171,830	191,362	214,747	208,699

3. The last seven years have witnessed a sound and steady expansion of the industry. The total output of protected paper has increased from 35,000 tons in 1930-31 to 48,000 tons in 1936-37 and this measure of progress has been achieved in spite of the continued world slump in prices and

production. A number of new mills are under construction and it is estimated that India's capacity for paper production will be increased shortly by nearly 20,000 tons. The industry has still an enormous scope for expansion in view of the total consumption of paper in the country. The total Indian demand in 1936-37 of protected as well as unprotected paper was over 200,000 tons, out of which the country produced only about 25 per cent. Thus about 75 per cent. of the total paper requirements of the country has still got to be met by importation from abroad; in spite of the country's abundant resources—material, technical and human.

4. Fostering the development of the bamboo pulp industry in the country is one of the main objects of the Paper Protection Act. This expectation of the Tariff Board is in process of realisation, although one would wish that the progress in this regard was more rapid. In the near future India may witness a greater development of bamboo pulp industry. New paper mills in process of erection will create a demand for bamboo pulp. It is estimated that at least 10,000 tons of bamboo pulp per annum will be required to supply the needs of the Mills, when the new mills under erection will commence functioning. This encouragement to the bamboo pulp industry may have favourable reactions also on the manufacture of suitable pulp for Rayon and such other industries. It is encouraging to note that withstanding the increase in total production of Indian paper the demand for imported pulp is gradually, though slowly, diminishing. The Tariff Board, while continuing the protection to the industry, may suggest ways and means of bringing a greater and more rapid use by Indian mills of bamboo pulp in larger quantities, and suggest ways and means of ensuring that the primary object of the Paper Protection Act of the utilisation of the resources of the country in the raw materials for paper production, such as bamboo and grass, is fulfilled at an early date.

5. My Committee not only urge the continuation of the present measure of protection to the paper industry, but also strongly recommend the extension of protection to certain other varieties of paper, now not protected. The demand for unprotected paper during the last six years has increased by 47 per cent. in contrast with the increase of only 12 per cent. of protected paper. In this connection, it may be pointed out that the previous enquiry refused to make any recommendation on protection to wrapping paper, because that field was unexplored as far as Indian enterprise was concerned, but the new mills under erection seriously contemplate to fulfil the country's requirements of wrapping paper, especially Kraft and Kraft Imitation paper. At present the country imports Rs. 48,00,000 worth of this variety of foreign paper, the major portion thereof coming from Scandinavia. There is a great scope for the production of Kraft wrapping paper, Manilla, Drawing Cartridge and Newsprints. It may be pointed out that the prices of Kraft paper have heavily declined to the extent of half an anna per pound (lb.) in the last year alone. To this must be added the fact that foreign concerns actively indulge in unremunerative rates to capture and consolidate their position in our home market. It must also be remembered that the contemplated Kraft industry—about which it has already been said that the need is urgent and the scope wide—will be in the nature of a pioneer enterprise without any experience of past production. It is liable to be handicapped by extra technical costs and attendant risks of frustration and failure. In that case, it has got to be equipped for alternative and substitutive forms of paper production which would necessitate extra capital equipment. Again, perfecting the process and methods of manufacture is a tardy process involving stupendous initial and working costs. Looking to these considerations, my Committee strongly urge upon the Tariff Board the necessity of extending the scope of protection to those classes of paper which remain unprotected at present, especially the Kraft and Imitation Kraft wrapping paper, about which enterprise there is an increasing earnestness on the part of some Indian mills.

6. My Committee would like to bring to the notice of the Tariff Board that certain classes of protected paper on which tariffs are imposed are, it is understood, imported into the country under false labelling. A relevant instance,—which has been placed before them,—in this connection is the importation of Accounts-Book paper under the guise and description of wrapping paper. The provisions relating to Manilla also afford a similar loophole.

7. The suggestion regarding the possible removal of the Customs surcharge on the protective duty has made my Committee feel anxious for the future of the industry. It is believed that the removal of the surcharge might adversely affect the future of many indigenous concerns. The paper industry is still in an infant stage and has to seriously compete with foreign countries, where paper manufacture has attained a high degree of economy, efficiency and perfection. In its present stage, it is in the process of development and any premature removal or reduction of the existing measure of protection will give it a rude set-back. In the light of the possibilities the indigenous paper industry has been showing year after year, my Committee urge that the existing measure of protection should be continued.

(12) The Marwari Chamber of Commerce, Calcutta.

Letter No. G. I./T. B./0436, dated the 21st March, 1938.

With reference to the Government of India's Resolution No. 202-T. (1)/36, dated the 11th December, 1937, I am directed to state that this Chamber would urge for the continuation of protection afforded to the Paper and Paper Pulp Industries by the Bamboo Paper Industry (Protection) Act, 1932, which in the ordinary course of events will expire on the 31st March, 1939. India's total annual consumption of paper was over 200,000 tons out of which India produced only 24 per cent, and therefore there is a vast scope for the development and expansion of the industry.

With this end in view my Committee would urge for retention of the surcharge as there had been no appreciable improvement in the industry yet but would oppose the suggestion regarding the possible removal of customs surcharge on the protection. I believe the suggestions of my Committee will receive your due consideration.

(13) The Marwari Chamber of Commerce, Bombay.

Letter No. 1543 /1937-38, dated the 25th/26th March, 1938.

With reference to your circular letter No. 18, dated the January 5th, 1938, with which were received 3 separate sets of Questionnaires for manufacturers, traders and printers, I am directed to forward herewith the replies of my Board to a few questions contained in the Questionnaires for Printers and Traders, and I hope that the views represented in these replies will receive due consideration at the hands of the Tariff Board.

I may make it clear that there is no paper manufacturer amongst the members of my Chamber and that only a very few are interested as printers and publishers and as traders. So far as printing and publishing are concerned, although there is only one member whose state and interest are substantial, namely, Messrs. Khemraj Kishandas who own the Venkateshwar Press at Bombay, yet this one member is probably one of the oldest printers and publishers, and if publications in Indian languages were taken into account, then also probably one of the biggest publishers in India. I may also explain that while the questions in the printers questionnaire have been answered primarily from the printers point of views, the broad national industrial point of view has not been overlooked.

I have also to explain and apologise for the delay in submission of the views of my Board. As was stated in a previous letter, copies of the questions in which certain members were likely to be interested were circulated amongst them and they were requested to furnish full particulars of information required under various heads as well as such views as they may have on the issues raised. Unfortunately, but mainly because the majority of the members are not vitally interested, the response in this instance was neither prompt nor adequate. For the reasons, it has been impossible for me to forward our reply within the prescribed time. I therefore sincerely regret the delay.

**REPLIES TO SELECTED QUESTIONS FROM THE QUESTIONNAIRES FOR NEWSPAPERS,
PRINTERS AND PUBLISHERS.**

2. The paper produced in the Indian factories is of the following varieties:—

- (1) White and Unbleached Printing paper other than Newsprint.
- (2) Imitation Art.
- (3) Writing paper and envelopes.
- (4) Blotting paper.
- (5) Badami.
- (6) Cardboards paper, etc.
- (7) Packing and wrapping paper.
- (8) Indian account-book paper.

There has been some improvement in quality all round. The most noteworthy improvement, however, has been found in imitation art paper, blotting paper and the account-book paper. Blotting paper manufactured by the Bengal Paper Mills has always been of a superior quality but Indian blotting paper generally is now of good quality. Formerly account-books paper was not manufactured in India, but since its manufacture has started, its quality has been kept to a standard and is satisfactory.

3 & 4. The effect of protection on the printing industry has not been unfavourable to any appreciable degree. In the early stages it may have acted as a check or brake upon the volume of printing work offered to the presses but the printing industry as a whole has been steadily progressing. With the increase of literacy and education, printing work has been increasing and will continue to increase for years to come. Unless, therefore, the increase in the cost of paper is exceptionally higher, there is no reason to expect any set-back to the printing industry as a result of protection to the paper industry. The position of the publishing industry is, however, rather different. In referring to publishing industry newspapers are excluded, for the simple reason that "Newsprint-paper" is imported from foreign countries in its entirety. But so far as printing and publication of books are concerned, the effect of protection has, in the opinion of my Board, been harmful. In a poor country like India with the growth of education, publishing industry can develop only by putting on the market books and publications at a cost within the reach of the reading public. With the increased cost of paper the cost of books published has been higher and their sale has not only not increased but in certain branches has even gone down.

There may have been other factors partly responsible for this result but the increased cost of paper has no doubt had its share. This view will be more easily appreciated if it is remembered that protection to paper industry with its consequent effect on raising the prices of paper has been accompanied by a short-sighted policy of the postal department in regard to parcel and V. P. rates. These rates have undergone such an extraordinary enhancement that a considerable volume of book purchases which used to be made by letter and completed through V. P. Post has died out. Any book-seller will bear witness to the fact that that branch of

book-trade has been eliminated through the combined effect of the wrong postal policy and higher cost of paper.

7. Industries other than the publishing industry which are affected by protective duties on paper are label printing and picture and calendar making industries.

8 & 10. My Board are definitely of opinion that protection should be continued for the paper and paper pulp industries in a measure just enough for the purpose in view, for which the previous Tariff Boards recommended protective measures, there is enough evidence to show that protection to paper and paper pulp industries has justified itself. The main difficulty before the paper industry that presented itself at the very inception has been that of adequacy of the right type of raw materials for the manufacture of the various types of paper. On the satisfactory solution of that difficulty depends the answer to the question whether the paper industry satisfies the conditions laid down by the legislature in order to deserve State protection. To meet that difficulty, the paper manufacturers have put in steady, earnest and consistent efforts involving expenditure of large funds and varied research. These efforts have borne fruit in quite an appreciable measure.

It is well known that Sabai-grass and Bamboo are the two basic raw materials in India from which paper can be manufactured. The former has its limitations and offers the best possibilities only at certain places in north India. Bamboo, however, is available in a larger number of places and in adequately larger quantities. Moreover, bamboo pulp possesses certain advantages which make it more suitable as an all-round raw material than grass pulp. The last Tariff Board recommended the measure of protection which is in force to-day, on the basis that such protection would enable the manufacturers not only to perfect the processes of pulp manufacture from bamboo but actually to produce a substantial proportion of their pulp requirements from bamboo in India and to use the same in substitution for imported wood pulp. Statistical information available on the subject shows that the total consumption of paper, both Indian and foreign, has increased from 114,000 tons in 1930-31 to about 2,000,000 tons in 1936-37. Out of this, the share of Indian paper mills has increased from 36,000 tons in 1930-31 to nearly 50,000 tons in 1936-37. With the result that it can be roughly stated that Indian Mills produce to-day over $\frac{1}{4}$ of the total growing demand for paper in India. If it is remembered that the total consumption of 200,000 tons includes "News-print" which is not manufactured in India at all and such other varieties as art and antique paper, etc., for the manufacture of which the existing Indian factories are not properly equipped with the required machinery, the magnitude of the achievement will be easily realised.

Similarly the import of wood pulp from all foreign countries which was in the neighbourhood of 43,000 tons in the year 1931-32 has fallen to about 12,500 tons in 1935-36. This is a remarkable result, the importance of which cannot be ignored. It means that for the manufacture of about 50,000 tons of paper Indian Paper Mills import less than $\frac{1}{4}$ of their total requirements of wood pulp and themselves produce the remaining $\frac{3}{4}$ th portion. This result more than fulfils the expectation of the last Tariff Board expressed in paragraph 89 of their report where they say:—

"Considering the progress already made, the development of bamboo, we should assume, for the purpose of estimating the measure of protection that all but 25 per cent. of the initial out-put in the next few years may be based on bamboo."

Thus the measure of success so far achieved gives ground for the belief that in a few years Indian manufacturers will be able entirely to dispense with the need for importing any foreign wood pulp at all by manufacturing the requisite material in the Indian mills.

Apart from the justification which the progress of the last seven years provides for the protection granted in 1931, my Board further hold the

view that if India can produce the other varieties of paper such as newsprint without entailing an undue sacrifice on the part of the consumer, it is the duty of the State to give the Indian manufacturer a fair opportunity for capturing the remaining lines also. Unfortunately the stage has not yet been reached when it can be said that the Indian manufacturers would be able to manufacture "newsprint" of a competitive quality and price. At the present moment it is, therefore, neither proper nor desirable to recommend any immediate protective measures for encouraging the manufacture of newsprint.

Moreover, newspapers constitute not only an industry but such an important organ of public opinion and a potent instrument of public welfare that their requirements deserve first consideration. Newspapers in India have had to face such an uphill task during their short history of a 100 years and even now the financial position of a majority of Indian newspapers continues to be so uncertain that no Government alive to its responsibilities would dream of throwing any new burden upon them. A few months ago when the price of Norwegian newsprint shot up to an extraordinarily high level, a goodly number of small newspapers in Indian languages suspended publication and even the most well established newspapers felt the strain of the situation. For these considerations, my Board feel that "newsprint paper" must not be subject to any import duty at all. Similarly other qualities which do not compete with Indian varieties to any extent should also be excluded from the protective measures.

Not having complete data about the progress made in the different mills, it is difficult for my Board to suggest what exact measure of protection should be granted. They have, however, no doubt that if the Tariff Board find, as my Board trust they will, that for enabling the industry to manufacture its entire requirements of paper pulp and to meet the entire demand in the country for the varieties it can produce with its financial and mechanical equipment the Tariff Board will not hesitate to recommend necessary measures of protection. As far as my Board can judge on the information available to them, it appears that the need of the situation will be satisfied by removing the present surcharge on protective and revenue duties, a course which may be recommended by the Tariff Board in advance of their final recommendations. The remaining proportion of protection should, however, be maintained for a further period of seven years.

REPLIES TO SELECTED QUESTIONS FROM THE QUESTIONNAIRE FOR IMPORTERS AND TRADERS.

5. So far as our information goes there is no reason to believe that foreign manufacturers are selling their paper in India below the cost of production.

6. Bombay is believed to be the most competitive market in India for paper trade; but the competition from foreign paper is not so severe or effective as to displace the Indian paper in respect of the qualities manufactured by Indian mills on the existing rates as affected by the protective and revenue duties.

General.—There is a feeling amongst the dealers of paper that either because the Indian Paper Mills' Association enjoys a position of virtual monopoly in the paper trade or for other reasons the manufacturers have become rather indifferent to the needs of the traders. For instance deliveries are often reported to be irregular. In some cases delay of months occurs. Another complaint is that assortment of qualities supplied is sometimes not according to contract and often unsatisfactory. Similarly credit facilities offered by Indian manufacturers are very meagre. While foreign manufacturers allow 60 days' credit after sight of the draft or after arrival of goods at the port, Indian mills insist upon payment within 10 days after delivery. Dealers who are unable to do so for any reason have to pay interest at 15 per cent. for the number of days for which payment is delayed.

19. Messrs. J. B. ADVANI & Co., Bombay.

A.—WRITTEN.

Letter, dated the 8th March, 1938.

1. We are enclosing herewith appendix (a) giving you the prices at which principal classes of imported paper such as Woodfree Printing Papers, Woodfree Creamlaid, Bank Papers, Account Book Papers and Imitation Woodfree Art Papers have entered the Bombay port since 1931. As required by you, we have mentioned in the appendix the prices of each class of paper, landing and other charges, and customs duty.

2. Not dealing in Indian made paper, we cannot give you the exact information as to the prices at which principal classes of Indian made papers have been sold. We have, however, collected whatever information we have been able to get from some of the agents of the local mills and enclosed herewith we are sending you appendix (b) giving you such information as we have been able to gather. The Indian mills, however, could furnish you the information on this point.

3. There is always some difference between the price realized by the Indian Mills for their manufactures and the price of similar imported paper. This in our opinion is due to the fact that Indian made paper does not come up to the standard of the foreign manufacture. The prices of Indian papers are not governed by either the cost of production or the question of demand and supply. The Indian mills are in a combine and flat rate is quoted and there is no competition between them. In our opinion, they base their prices on the lowest imported cost of the corresponding paper.

4. We understand that Indian mills enjoy concession rates from Railways on all paper, which leave their mills for up-country stations. We are enclosing herewith appendix (c) which gives such information on the matter as we have been able to gather from the agents of the Indian mills.

5. On this question we have had reports from some of our main suppliers and all of them write that paper export to India leaves a small margin of profit to the producers. During 1935 and 1936 for instance when Germany started barter system, other countries such as Sweden, Norway and Austria who used to do a fair amount of business with India practically did no business and this clearly proves that mills in Europe do not do business with India at prices unremunerative to them. It would perhaps be right to say that they export to India at prices lower than obtaining in the home market, but still at prices which leave them a small margin of profit. Even during the barter days in 1935 and 1936, although the prices were low for the importer in India, the mills in Germany did not lose anything, as they were compensated by their Government. Some of our friends have written that they would rather close down their mills than continue to ship to India at prices unremunerative to them. The prices in Europe are Government very largely by the question of demand and supply, which enables them to obtain at one time a better margin of profit than at another time. We have no reason to believe that price for the Indian market for any grade of paper is lower than for the other export markets.

6. We have been told by the Indian mills that they experience competition from the foreign manufacturers keenest in the ports. This is easily understood from the fact that whereas the Indian ports get the supplies direct from the foreign mills, places up-country have to pay freight.

7. We believe that the Indian mills can furnish a statement more accurate than we can gather. However, we attach appendix (d)* to give you a few items we have been able to gather.

8. As we have mentioned previously, the Indian mills being in a combine, there is no difference in prices between paper made from bamboo and paper made from other indigenous material.

9. We have no information to offer on this point.

* Not printed.

10. We have no personal experience on this point, but from what we are able to gather from our printer customers, we understand that there has not been much of an improvement in quality. The mills seem to be keener on out-put than on quality. Having no competition and getting all their own way, it is easily understood that they have no impetus to improve upon the quality. It is no secret that the big printers prefer not to use the Indian made paper, as they are certain that they never can produce a high standard of printing on Indian paper.

11. (1) In the case of Cardboard (Boxboards) duty is charged on invoice value. In the invoice, the importer is charged for the ordered weight, if the specification weight is higher than the ordered weight and is charged for the specification weight, when the same is less than the ordered weight.

(2) Duty is charged on the charged weight when the specification weight does not exceed the ordered weight or charged weight, by more than 5 per cent. When the specification weight exceeds the charged weight, by more than 5 per cent., then duty is collected on the specification weight.

(3) The consignments are subjected to weighment and the specification weight is checked with the scale weight. When duty is realisable on the specification weight as in the case of paragraph (b) the ascertained weight is taken for calculation of the excess duty.

(B) (1) In the case of Woodfree papers on which protective duty is levied, the invoicing is the same as for Boxboards or Cardboards, i.e., when the paper turns out to be heavier than the ordered weight, then the ordered weight is charged for; but when the paper turns out to be lighter than the ordered weight, the actual weight or the specification weight is charged.

(2) But unlike Cardboards, Woodfree papers are assessed on the specification weight, even though the weights are marked on the reams. This procedure is followed, even when the difference between the charged weight and specification weight is less than 5 per cent. These weights are also checked by weighment. Where for instance a bale contains 8 reams of 50 lbs., weights are marked on the labels, and the specification weight of the bale is 410 lbs., duty is levied on 410 lbs. If the ascertained weight is 415 lbs., then duty is levied on 415 lbs. But the importer can realise from his clients only value of 400 lbs., as the weight is marked on the reams. We therefore suggest that, as in the case of Cardboards, the specification weight and the ascertained weight should be ignored for the purpose of assessing duty, when they do not exceed the charged weight by more than 5 per cent.; if they exceed by more than 5 per cent., duty may be charged on the ascertained weight or specification weight.

C. (1) Strawboards are cheap grade of boards and are not pressed in the course of manufacture, to the same extent as in the case of cardboards. Consequently Strawboards are subjected to atmospheric influence to a greater degree than Cardboards.

(2) Strawboards are sold generally on the basis of 56 lbs., per bundle; 2 bundles to a cwt. and 5 cwt. to a bale. But all textile mills weigh the bales and pay for only the actual weight, if that happens to be less than 5 cwt. to a bale. If the weight exceeds 5 cwt., they pay for 5 cwt. only. Strawboards are always invoiced as 5 cwt., to a bale by foreign mills.

(3) Duty is assessed on 5 cwt. to a bale when the specification weight or ascertained weight is not more than 5 per cent. over and above 5 cwt. But when the ascertained weight is 5 per cent. more than 5 cwt., duty is calculated on the ascertained weight.

(4) But when the weight of a bale happens to be less than 5 cwt., by atmospheric influence, then no reduction in duty is allowed. Duty is realised on 5 cwt. to a bale, although the importer can realise only the actual weight on weighment, which in this invoice is less than 5 cwt.

(5) Therefore, we suggest that in the case of Strawboards, when the ascertained weight is less than 5 cwt., to a bale, duty should be assessed only on the actual weight.

APPENDIX "A".

Year 1931.

Grade of paper.	C. I. F. in sterling per ton.	C. I. F. in Rs. per ton.	Duty per ton.	Clearing charges per ton.	Landed cost per ton.	Cost per lb. F. O. R. Bombay or Calcutta.
	£	Rs.	Rs.	Rs.	Rs.	Rs. A. P.
1. Woodfree Printing Paper White.	25	334	175	6	515	0 3 8-13
2. Watermarked Woodfree Creamlaid	29	387	175	6	568	0 4 0-75
3. Watermarked Bond paper white.	28	373	175	6	554	0 3 11-5
4. Woodfree A/c Book paper.	24/10	327	175	6	508	0 3 7-5
5. Imitation Art. white Woodfree.	26	347	175	6	528	0 3 9-5

Year 1932.

1. Woodfree white print- ing.	23/10	314	175	6	495	0 3 6-5
2. Watermarked Cream- laid Woodfree.	27/10	367	175	6	548	0 3 11
3. Watermarked Bond paper.	28/10	380	175	6	561	0 4 0
4. Woodfree White A/c Book paper.	24/10	327	175	6	508	0 3 7-5
5. Imitation Art. White Woodfree.	25/10	340	175	6	521	0 3 8-64

Year 1933.

1. Woodfree White print- ing.	19	254	175	6	435	0 3 1-27
2. Watermarked Wood- free Creamlaid.	23	307	175	6	488	0 3 5-81
3. Woodfree Bond White	23/10	314	175	6	495	0 3 6-5
4. Imitation Art. . .	20/10	274	175	6	455	0 3 3
5. A/c Paper . . .	19/5	257	175	6	438	0 3 1-5

Year 1934.

1. Glazed Woodfree Print- ing.	19	254	175	6	435	0 3 1-27
2. Watermarked Cream- laid.	23	307	..	..	488	0 3 5-81
3. Watermarked Bond .	23/10	314	..	..	495	0 3 6-50
4. Imitation Art. Wood- free.	20/10	274	..	..	455	0 3 3
5. Account Book paper .	19/5	257	..	..	438	0 3 1½

APPENDIX 'A'—*contd.*

Year 1935.

Grade of paper.	C. I. F. in Sterling per ton.	C. I. F. in Rs. per ton.	Duty per ton.	Clearing charges per ton.	Landed cost per ton.	Cost per lb. F. O. R. Bombay or Calcutta.
	£	Rs.	Rs.	Rs.	Rs.	Rs. A. P.
1. Glazed Woodfree Print- ing.	19	254	..	..	435	0 3 1-27
2. Watermarked Cream- laid.	23	307	..	..	488	0 3 5-81
3. Watermarked Bond .	23/10	314	..	..	495	0 3 6-50
4. Imitation Art. Wood- free.	20/10	274	..	..	453	0 3 3
5. Account Book paper .	18/17/6	253	..	..	434	0 3 1-25

Year 1936.

1. Glazed Printing Wood- free.	19	254	..	..	435	0 3 1-27
2. Watermarked Cream- laid.	23	307	..	..	488	0 3 5-81
3. Watermarked Bond .	23/10	314	..	..	495	0 3 6-50
4. Imitation Art. . .	17/15	237	..	..	418	0 3 0
5. Account Book paper	20/10	274	..	..	455	0 3 3

Year 1937.

1. Glazed Woodfree Print- ing.	29/10	394	..	..	575	0 4 1-27
2. Watermarked Cream- laid.	33/10	447	..	..	628	0 4 5-8
3. Watermarked Bond .	35	469	..	..	648	0 4 7½
4. Imitation Art. paper .	30/15	410	..	..	591	0 4 2½
5. Account Book paper .	27/5	364	..	..	545	0 3 10½

Year 1938.

1. Glazed Woodfree Prin- ing.	28	373	..	..	554	0 3 11½
2. Watermarked Bond .	32	427	..	..	608	0 4 4-1
3. Imitation Art. . .	30/8	404	..	..	585	0 4 2-1
4. Account Book paper .	27/5	364	..	..	545	0 3 10½
5. Ledger paper . .	30	..	..	..	..	..

APPENDIX "B".

Prices quoted to the Agents at Delhi by the Indian Mills.

1937.—"TITAGHUR AND BENGAL PAPER MILLS"—

						Rs. A. P. per lb.
Glazed Printings White.	Thin substances	.	.	.	.	0 4 3
Do.	do. Thick	do.	.	.	.	0 4 0
Creamlaid 6 lbs.	.	.	.	.	.	0 4 4
Do.	8 lbs. and upwards	.	.	.	.	0 4 0
Bank paper white	.	.	.	.	.	0 4 6
Coloured Imitation Art.	.	.	.	.	.	0 4 7
Quality Cover paper	.	.	.	.	.	0 2 11

Prices in 1931.—About 4½ pies per lb. lower than the above rates.

All the above prices are f. o. r. Delhi, subject to the following discounts:—
5 per cent., 1½ per cent. and 3 per cent.

Prices prevailing on 10th December 1937 in Bombay.

	Titaghur.	B. P. M.	India Paper Pulp Co.	Deccan Mill.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
White Ptg. thicks	0 3 9	0 3 9	0 3 9	0 3 9
Do. thins	0 4 0	0 4 0	0 4 0	0 4 0
Creamlaid 6 lbs.	0 4 2	0 4 2	0 4 2	0 4 2
Do. 8 lbs. and up.	0 3 10½	0 3 10½	0 3 10½	0 3 10½
Imitation Art. white	0 4 1	0 3 10	..	..
Watermarked Bank	0 4 8½	0 4 2½	0 4 2½	0 4 2½

The above prices are f. o. r. Bombay. Less Discount of 1½ per cent. for a 5 ton order. Half-yearly bonus on total business as under:—

Rs.	Per cent.
12,500	1½
25,000	2
37,500	2½
50,000	3
Cash discount—2½ per cent.	

APPENDIX "B"—*contd.**Prices Prevailing in Cawnpore for Indian made paper.*

	Rs. A. P.
29-1-1938.—Creamlaid thick weights	0 4 $\frac{1}{2}$ per lb.
Printing thin weights	0 4 $3\frac{1}{2}$
Do. thick weights	0 4 $\frac{1}{2}$
Bank paper white	0 4 3 per lb.
Imitation Art. White	0 4 6 „

Year.	Printing Light Weight.	Printing Thicks.	Creamlaid Thicks.	Bank Paper.
1932	0/4/1	0/3/9	0/3/9	0/4/7
1933	0/3/11	0/3/8	0/3/11	0/4/6
1934	0/3/9	0/3/7	0/3/7	0/4/1
1935	0/3/9	0/3/9	0/3/10	0/4/1
1936	0/3/10	0/3/8	0/3/11	0/4/2

The above prices are f. o. r. Cawnpore less 5% 1 $\frac{1}{2}$ % and 3%.

APPENDIX "C".

WAGON LOAD OF 300 MAUNDS. RLY. FREIGHT PER MAUND ON PAPER IN BALES.

	Bombay to Delhi.	Calcutta to Delhi.
Foreign Paper	Rs. 1 9 4 per maund.	Rs. 1 9 4 per maund.
Indian Made Paper	not known.	Rs. 0 14 6 per maund.

Such concessions in railway freight are allowed to almost all Upcountry stations for Indian Made Paper, from the respective Mills' siding at Calcutta.

	Bombay to Cawnpore.	Calcutta to Cawnpore.
Foreign Paper	Rs. 1 8 6 per maund.	Rs. 1 6 6 per maund.
Indian Made Paper	not known.	Rs. 0 12 6 per maund.

MESSRS. J. B. ADVANI & CO., BOMBAY.

B.—ORAL.

Evidence of Mr. J. T. LALVANI, recorded at Bombay, on Tuesday, the 15th March, 1938.

President.—Are you a Director of Messrs. J. B. Advani & Co?

Mr. Lalvani.—I am one of the Directors. There are four directors.

President.—Are you the Managing Director?

Mr. Lalvani.—Yes.

President.—You do not deal in Indian made papers at all?

Mr. Lalvani.—No.

President.—Do you deal in Japanese papers at all?

Mr. Lalvani.—Very little.

President.—Is there a large quantity of Japanese paper coming in now-a-days?

Mr. Lalvani.—There is only one firm importing these—Messrs. Kikabhai Chandabhai. They are importing wood free printings. Mitsui are the sole suppliers and they have given the agency to Messrs. Kikabhai Chandabhai. As regards the quantities the Customs people will be able to tell you.

Mr. Rahimtoola.—Since how long have they started importing?

Mr. Lalvani.—Three years ago.

President.—Are they underselling other imported papers?

Mr. Lalvani.—Their price is about the same as that of the Indian mills but they are quoting below European imported papers.

President.—They are importing mainly wood free printings?

Mr. Lalvani.—They call it simili paper. It is a paper which is hard sized and is imported in printing paper size and used largely for printing. Being hard sized it can be equally used for writing.

President.—Is it a mechanical paper?

Mr. Lalvani.—It is a wood free paper. It pays 1 anna 3 pies protective duty.

President.—How does it compare in quality?

Mr. Lalvani.—It is a very poor quality of printing paper and sells largely because of the price.

President.—This sample which was given to us yesterday, is that typical of the import? (Shown.)

Mr. Lalvani.—Yes. In the case of the Japanese paper one cannot rely upon quality of one shipment and another. This is a good sheet but I do not think very often these sheets are supplied.

Mr. Rahimtoola.—This would be saleable?

Mr. Lalvani.—Yes. This is a good sheet.

Mr. Rahimtoola.—Can it be written upon?

Mr. Lalvani.—Yes.

Mr. Rahimtoola.—What is its price?

Mr. Lalvani.—It sells I think at a price a little higher than the Indian paper—about one pie more.

Mr. Rahimtoola.—Indian paper's whole price is 3 annas 10 pies to 3 annas 11 pies per lb.

Mr. Lalvani.—Indian paper is subject to discount; 3 annas 10 pies less discount and this is 3 annas 11 pies without discount.

Mr. Rahimtoola.—We have been recently told of a price of 2 annas 2 pies per pound c.i.f.

Mr. Lalvani.—Two annas 2 pies (c.i.f. price); that makes 3 annas 5½ pies duty paid; the dealer allows 2 per cent. discount and has to make some profit. That brings the price to 3 annas 9 pies.

President.—Do you deal in kraft paper?

Mr. Lalvani.—Very largely.

President.—Are you importing any bleached kraft paper?

Mr. Lalvani.—We do not import any, but some quantity is being imported in. It cannot serve any useful purpose. Bleached kraft was originally sent out here to be introduced in place of either bank or bond and M.G. posters. I did not see much use in importing them because it did not compare favourably with other qualities in price?

President.—Does it make a big difference in price?

Mr. Lalvani.—Banks and Posters could be had cheaper and they were much cleaner and better sheets. I know small quantities were imported.

President.—Do you deal much in cartridge paper?

Mr. Lalvani.—Cartridge is not a very big line, but small quantities we do import.

President.—Is that for drawing or offset?

Mr. Lalvani.—For drawing.

President.—Do you import offset cartridge?

Mr. Lalvani.—Very little. In a year about 2 to 3 tons.

President.—The majority of cartridge paper imported is drawing cartridge and even that is a small amount?

Mr. Lalvani.—Yes.

President.—Indian mills are putting a certain amount of cartridge paper on the market: have you seen any of it?

Mr. Lalvani.—I have not seen recently. Previously I saw some and people were complaining that it did not suit the eraser test as the fibres would come out and leave the paper thinner than it was before erasion.

President.—In common trade practice is there any difference between ordinary wrapping paper and casing paper?

Mr. Lalvani.—The man in the bazar does not know what casing paper is; he only knows that it is wrapping paper.

President.—We are told that the real distinction is that casing paper is glazed on both sides whereas ordinary wrapping paper is glazed on one side.

Mr. Lalvani.—Papers glazed on both sides and glazed on one side are both used for wrapping. Some mills use casings and others M. G. papers.

Mr. Rahimtoola.—Can they be used for writing purposes?

Mr. Lalvani.—It is not the practice to use such papers for writing but if one wants to use them, they could be used. In that way kraft which is one side glazed could also be used as writing paper because kraft is also hard sized.

President.—Is that a typical sample? (Shown.)

Mr. Lalvani.—That is glazed casing?

President.—This is another sample we have seen. (Shown.)

Mr. Lalvani.—This is imitation kraft. This also can be used for writing purposes.

Mr. Rahimtoola.—Can these be substituted for account book paper?

Mr. Lalvani.—Badami is so cheap whereas this is dearer.

Mr. Rahimtoola.—What about Indian account book paper?

Mr. Lalvani.—For fair accounts, for keeping Indian accounts, nobody would use these because these accounts are kept in sheets which are constantly folded and the account book paper which has to be used for this purpose has to stand a good deal of wear and tear. But for rough work this can be used and in fact for rough Account Books they use any class of paper. I have noticed that it has become the practice of Indian mills that if they see a small quantity of a certain class of paper coming in which has a chance of being written upon, they at once say these must be classed as writing paper. Formerly the Bombay Electric Tramway used badami paper for their bill forms. Most of the bill is printed except the amount and the energy consumed which is written. They decided to change the colour from badami to orange, and the quantity imported would be about a ton which would keep them running for several months. I think the Indian mills have seen some of these and think that badami is being imported in orange shade to evade the duty!

Mr. Rahimtoola.—Originally badami and buff were not protected till the classification enquiry. At that time Madras, and United Provinces Government were importing large quantities of that class of paper. Now we have been told they have ordered paper with a specification of tinted paper.

Mr. Lalvani.—We have got the Madras contract for 1938. We are supplying 600 tons of badami hard sized which will pay 1 anna 3 pies duty and still we are supplying the Madras Government at one anna cheaper than the Indian rate. I do not know about United Provinces. Madras Government has not asked for tinted paper.

President.—You may just look at the specification—

“Tinted Newsprinting 554 tons, maximum substance 74 G.S.M., Minimum substance 63 G.S.M. Specification—Tinted newsprinting. This is to be either cream, pale blue, or pale pink or other pale tint but not buff, badami or white should be of good standard quality containing not less than 65 per cent. mechanical wood, reasonably free from specks, and sufficiently sized and glazed. Should also be suitable for writing on with ink. Maximum ash limit 15 per cent.”

Mr. Lalvani.—I was not aware of this. This coloured printing is not assessed on the basis of whether it is soft sized or hard sized. This would be assessed according to the mechanical content.

President.—Do you import boards at all?

Mr. Lalvani.—We do.

President.—What kind?

Mr. Lalvani.—All kinds of boards.

President.—The question has been raised that the distinction between thin boards and thick paper is very slight.

Mr. Lalvani.—Yes. But after all one can always find out that a particular thing is not paper but board. We get boards down to 22×28—20 lbs. per 144 sheets. Up to this thinness we import under boards.

President.—Can you send us a sample?

Mr. Lalvani.—Yes. You can easily see that it is a board. If you cut paper to card size it won't hold as card. I can send you a full sheet and also one cut to the size of a card which will show you the difference. We have never had any trouble with the Customs on this; the Appraiser can easily see that it is too thick to be classed as paper.

President.—I will now pass on to the general question of classification. What are your views on the new classification? How has it worked?

Mr. Lalvani.—We have had no trouble with the classification except that we would rather make it more elaborate—put in more items in the Schedule and say whether a paper is manilla, wrapping paper and so on,

so that the importer knows exactly where he stands. There are certain papers which they do not know whether to call sulphite or whether they should go in as packing or wrapping or in other sorts.

President.—Can you specify?

Mr. Lalvani.—I will give you all the grades and you can see under what headings they should come.

President.—That is quite an important point. If the classification can be improved it is for the benefit of everybody concerned.

Mr. Lalvani.—I will give you the various grades and you can specify them.

President.—You are aware of the Classification Report. You have no doubt got a copy of that. The Tariff Board suggested certain changes on page 21 of their Report—more or less verbal changes. These are given in italics. They proposed to add, for instance, in the first item 'envelopes made of writing paper' just to make it plain. Actually they are assessed at protective duty according to the Customs practice. The next item is rather more important: "Printing paper excluding stereo and all coated papers". What do you think about all coated papers? Would that be an improvement to add those words in the schedule? How does that strike you?

Mr. Lalvani.—It is all right, because we get all coated papers such as flints. Those are not to be protected.

President.—Coated papers are sufficiently well known classes of papers.

Mr. Lalvani.—Yes.

President.—In item 44 (3) there are a good many changes in wording, but that is in accordance with the present Customs practice as far as we are aware? Have you any remarks to make on that?

Mr. Lalvani.—Some of the M. G. papers are separate.

President.—This is supposed to be a simpler classification.

Mr. Lalvani.—That has been in practice.

President.—Yes. Of course the question of Badami does arise.

Mr. Rahimtoola.—That is not protected at the moment. The United Provinces Government have made out this Specification. Can you just go carefully into that question and let us have your views?

President.—We would have to say 'white and tinted paper'.

Mr. Lalvani.—If you say 'white and tinted paper', you would put the coloured glazed printing under protected.

Mr. Rahimtoola.—If we say hard-sized mechanical tinted paper?

Mr. Lalvani.—It would lead to a lot of complications, because some of the mills are in the habit of using a little sizing in the coloured paper. It will lead to a lot of friction in the Customs. Coloured printings are not protected.

Mr. Rahimtoola.—They are not protected at the present moment.

President.—Unless they are used as writing paper. All hard sized paper is protected.

Mr. Lalvani.—Not all.

President.—Wood free.

Mr. Lalvani.—Tinted is more than 70 per cent. mechanical. Tinted is never wood free. That will mean we will have more frictions with the Customs over the question of sizing. We often get these troubles even in ordinary glazed news.

President.—I know.

Mr. Lalvani.—They say it is hard sized. It was never the intention to import hard sized.

President.—They have to judge whether a paper is hard sized or soft sized.

Mr. Lalvani.—Several mills have their ways of manufacture. Some of them put in sizing and some of them do not. We order unglazed news and I tell you, if you take some unglazed news, you will see that you can easily write on it. It was never the intention of the importer to get hard sized unglazed news.

President.—I heard this question of unglazed news in Delhi. The moment it comes the Customs Authorities must test it.

Mr. Lalvani.—That means we have got to face all the troubles with the Customs.

President.—At present you have got to find out whether it is hard sized or soft sized.

Mr. Lalvani.—It is not the intention of the Tariff Board to protect unglazed news.

President.—The test is applied by the Collector of Customs to anything which could be written on.

Mr. Lalvani.—Papers which cannot be manufactured in India?

President.—The criterion is that the papers which cannot be manufactured in India should not be protected. The question is whether there is indirect competition.

Mr. Lalvani.—Do you mean with papers manufactured in India?

President.—Certainly.

Mr. Lalvani.—How can a paper which is worth 1 anna 3 pies duty paid enter into competition with a paper worth 3 annas 3 pies.

President.—At present.

Mr. Lalvani.—Even otherwise at any time a paper which costs 1 anna 3 pies is a grade by itself. The Indian mills try to make out 'why should 1 anna 3 pies paper be used at all'?

President.—I don't think that is what we have heard.

Mr. Lalvani.—This is the argument used. If you put here tinted, it will mean that there will be a lot of friction for the tinted paper although we don't want the tinted hard sized. These tinted papers are used for hand bills and throw aways. It is not necessary that coloured paper should be hard sized. There are certain mills who in their process of manufacture put in a little sizing. The moment that paper comes in, the question of protection is bound to arise though it is never intended that it should be used for writing.

President.—It does enter into competition with the badami paper manufactured in India whose price is 1 anna 9 pies to 1 anna 10 pies.

Mr. Lalvani.—No mill is supplying at that price.

President.—I am talking of the *ex-mill* price.

Mr. Lalvani.—If they can make badami at 1 anna 9 pies or 1 anna 10 pies, why do they not make tinted paper as well and compete with the imported paper.

Mr. Rahimtoola.—In 1936-37 it was 1 anna 10 pies.

Mr. Lalvani.—Is it glazed or unglazed badami of what substance? They can't make that. The substance in which we import coloured glazed cannot be a paying proposition to the Indian Mills if they made it in India. We import coloured paper from 40 to 45 grammes. If they could supply badami at 1 anna 9 pies, they could as well manufacture coloured paper and compete very easily with imported paper. In 1937-38 the price went up to 2 annas 10 pies.

President.—What is your opinion about the present level of prices? Do you think that it is likely to remain stationary?

Mr. Lalvani.—At present we are paying for wood free £28 to £29. The price will drop by about £2 to £3.

President.—Do you think that they will go back to 1935-36 level?

Mr. Lalvani.—No.

President.—Can you give us any reason for that?

Mr. Lalvani.—Because they say the pulp prices have not gone down to the extent to which paper prices have gone down.

President.—It is really ultimately dependent upon the price of pulp.

Mr. Lalvani.—I understand the price of paper has gone down more than the price of pulp. The prices to-day are the same as when the Tariff Board were enquiring in 1925. Those are about the prices.

President.—Have the Indian mills raised their prices to the same extent as the imported paper?

Mr. Lalvani.—They have not raised to the same extent. Price of imported paper has been raised from 3 annas 4 pies to 4 annas 3 pies. At the time when we were selling at 3 annas 4 pies, their price was 3 annas 1 pie or 3 annas 2 pies less discount, and the highest price which the Indian mills quoted when price of foreign paper was 4 annas 3 pies was 4 annas less discount of 9 per cent. That was, I think, the highest they quoted at one time.

Mr. Rahimtoola.—What is the discount generally speaking?

Mr. Lalvani.—I have no idea, but I think they give about 9 per cent.

President.—Do you deal in old newspapers at all?

Mr. Lalvani.—No.

President.—You have raised this question about the difference in weights in answer to question 11.

Mr. Lalvani.—That is about boards.

President.—Perhaps you would like to elaborate your point a little.

Mr. Lalvani.—When we get a consignment, in the invoice we get 3 weights. We might have ordered 8 reams of 50 lbs. or 400 lbs. The specification is 410 lbs. The mill will charge for 400 lbs. When the specification is 390 lbs. the mill will charge for what they actually supply namely 390 lbs. When it comes here for weighment, if the scale weight is 410 lbs., the duty is collected on 410 lbs. In the market we cannot sell as 410 lbs., because every ream is marked as 50 lbs. or sometimes there is the standard weight. It is not possible to obtain a higher price than for 50 lbs. When we pay the extra duty, we cannot get back that duty from our customers. It is absolutely paid by us.

Mr. Rahimtoola.—Have you represented the matter to the Collector of Customs?

Mr. Lalvani.—We have not represented to the Collector of Customs. We have discussed it with the Appraising Department.

Mr. Rahimtoola.—What is the result of it?

Mr. Lalvani.—The reply is that we are actually passing 410 lbs. through the Customs. So much passes through the Customs. Why should we lose our duty on it? We don't get any redress. We don't get back the duty. A bale of 5 cwts. of strawboards will not realise more than 5 cwts.

Mr. Rahimtoola.—If it was 5½ cwts., how can you say that it is 5 cwts?

Mr. Lalvani.—Where it is a question of standard weight, we cannot realise more.

Mr. Rahimtoola.—I don't think the Customs Authorities would be asked to dabble in the question of business.

Mr. Lalvani.—It is not the question of business.

Mr. Rahimtoola.—What you realise and what you don't realise is a question of business.

Mr. Lalvani.—It is a question of weight. We can't realise the higher weight. The duty should be assessed on the standard weight.

Mr. Rahimtoola.—If it is more, how can it be on the standard weight? It is very difficult to follow.

President.—You want a 5 per cent. margin.

Mr. Lalvani.—In the case of boards, they would not give us any margin. We took it up and eventually they sanctioned. We had to pay, under protest, because they would not allow even one per cent.

Mr. Rahimtoola.—This is about cardboards (boxboards).

Mr. Lalvani.—In the case of strawboards they allow 5 per cent. Very often we get differences in the weights between the specification and actual scale weight.

President.—Where do these strawboards come from?

Mr. Lalvani.—Holland and Japan.

President.—Mostly from Holland or mostly from Japan.

Mr. Lalvani.—I think we get more from Japan than from Holland.

President.—And other boards, where do they come from?

Mr. Lalvani.—From all countries, Austria, Finland and Germany. Take for instance strawboards. The standard weight of strawboards is 5 cwt. to a bale. When the weight is found to be more than 5 cwt., we have to pay more duty, but when the weight is less than 5 cwt., we declare that the weight is 5 cwt. and pay duty on that.

President.—What is the rule?

Mr. Lalvani.—We have to declare as 5 cwt. in spite of any adverse atmospheric influence.

Mr. Rahimtoola.—The best course is to appeal to the Central Board of Revenue and get their decision.

Mr. Lalvani.—You are sitting as Tariff Board.

President.—It is not within our purview.

Mr. Lalvani.—I had passed recently a bale of strawboards through the customs paying the duty to the full amount of weight and supplied them to the mill, but they complained of short weight. I asked my clearing clerk "did you take the weight at the Customs?" He said "When the weight is below 5 cwt., they don't allow any rebate".

Mr. Rahimtoola.—They put down the minimum as 5 cwt. We will ask the Collector of Customs what the present position is.

Mr. Lalvani.—If they charge more duty when the weight exceeds 5 cwt., they should also allow us a rebate when the weight is less than 5 cwt.

Mr. Rahimtoola.—You have given here prices year by year. Are these averages for the year?

Mr. Lalvani.—More or less.

Mr. Rahimtoola.—We have got a statement from the Mills Association and I would like to compare the prices given by you with the prices they have given. They have given us monthly quotations according to the replies which they have received from the foreign manufacturers.

Mr. Lalvani.—Have they given for every month in each year?

Mr. Rahimtoola.—They have given us for 2 or 3 months in each year.

Mr. Lalvani.—Do not they more or less tally?

Mr. Rahimtoola.—No.

Mr. Lalvani.—Are their prices lower than ours?

Mr. Rahimtoola.—Yes. There are also different from those of the Calcutta Paper Traders Association and the Calcutta Paper Import Association.

Mr. Lalvani.—I could give you invoices.

Mr. Rahimtoola.—They have also given invoices and quotations. That is why I find it difficult to follow. The lowest price in one case is £15-10. They have given the name also.

Mr. Lalvani.—£15-10 was in the year 1936?

Mr. Rahimtoola.—From June 1935 to September 1936, prices were down.

Mr. Lalvani.—This might have been a very poor quality.

President.—It may be Japanese.

Mr. Lalvani.—This is German, but it might not be stuff worth handling.

Mr. Rahimtoola.—In some cases they have given us samples. This is one sample of paper costing £15-16 per ton.

Mr. Lalvani.—I could give you the invoice. 1936-37 was the compensation period when Germany started the barter business.

Mr. Rahimtoola.—The instance I quoted was in June 1935.

Mr. Lalvani.—As regards 1935, here is one price £18-10.

Mr. Rahimtoola.—There is a difference between the prices submitted by you and the prices supplied by manufacturers.

Mr. Lalvani.—Those are quotations, but these are prices at which paper is actually landed in India and put on the market. There are all sorts of quotations.

Mr. Rahimtoola.—The average does not give an idea of the lowest price.

Mr. Lalvani.—For instance, our price of printings has been £19 for a number of years.

Mr. Rahimtoola.—£18-7-6 is the price they have given.

Mr. Lalvani.—Their quality may be different from ours. The price will depend upon the quality. So far as our printings are concerned, they are standard printings. Indian mills base their prices on our printings.

Mr. Rahimtoola.—There is a difference between the foreign price and the realised Indian price of 1 or 2 pies per lb.

Mr. Lalvani.—Their price has always been 2 pies or 3 pies cheaper than the import price, discounts apart.

President.—The difference is rather larger.

Mr. Lalvani.—Because we cannot reduce our prices very much. We can not afford to sell at a lower price. I don't think they have raised it to that extent. In the first instance they are not able to cope with the orders. They are saying "we take orders subject to the rates ruling at the time of delivery". Orders are accepted on that basis. No date of shipment is mentioned and no price is mentioned.

Mr. Rahimtoola.—Take page 2 of your representation. You say "It would perhaps be right to say that they export to India at prices lower than obtaining in the home market" and then you add "the mills in Germany did not lose anything as they were compensated by their Government".

Mr. Lalvani.—Even when we bought at £15-10 the German mills did not lose any money.

Mr. Rahimtoola.—They were selling at unremunerative prices.

Mr. Lalvani.—Those prices were governed by Government. The Government wanted to import raw materials and they took into their hands both the imports and the exports.

Mr. Rahimtoola.—I am looking at the position in India. The prices which they were able to quote were definitely unremunerative because of some sort of subsidy paid by German Government.

Mr. Lalvani.—In 1936-37 the position was that. I think Germany itself realised the mistake and it will never happen again.

Mr. Rahimtoola.—That was the position then.

Mr. Lalvani.—Yes, those were hardly prices which would pay any manufacturer.

President.—We shall now pass on to the general question about the continuance of protection. The Board first of all has to consider whether there is a case for the continuance of protection at all and if there is a case, what the level of protection should be. The Board has also been specifically asked to consider whether it could make an advance recommendation about the continuance of the present revenue surcharge of 3 pies a pound. We would like your views on the general question.

Mr. Lalvani.—I have no idea of what case the Indian mills have made out for protection. At present, prices are high and to my mind the chances of reduction, if any, are 10 to 15 per cent.

President.—Not more than 10 to 15 per cent. Perhaps I might clear up matters a little. I may tell you at once that the cost of production in Indian mills has been very considerably reduced in the last six years. That has been agreed to by the mills. As you know, there are a lot of new mills coming into the business. Their case is somewhat different. The established mills have not claimed that the surcharge is necessary.

Mr. Lalvani.—Do the new mills want protection?

President.—They want full protection.

Mr. Lalvani.—From the way they have published their prospectuses it appears that they do not need protection.

Mr. Rahimtoola.—Are you referring to the Mysore Paper Mills?

Mr. Lalvani.—The new mills wish to make out that they do not need protection. They say "These are the prices at which paper is imported and these are the prices at which we can manufacture". Personally I feel that at present the incidence of taxation on paper is far too high.

Mr. Rahimtoola.—Can you tell us if the surcharge was reduced, what would be the reduction in the price of paper?

Mr. Lalvani.—It will drop immediately by 3 pies per pound. The dealer knows that the importer would not have to pay the surcharge of 3 pies per pound, and therefore the buyer will compel him to reduce the price.

President.—The price will drop immediately in the case of new consignment.

Mr. Lalvani.—Even in the case of old consignments, on whatever stocks we may hold. We may be able to hold the price for a month or two but no more. Those who have no stocks will import at once and sell against us. Consequently we will have to reduce our price. If you raise the duty, the merchant takes advantage of that and raises the price and similarly when the duty is reduced, the merchant will have to reduce the price also.

Mr. Rahimtoola.—What effect will that have on Indian paper, industry? Will the price of Indian paper be also reduced?

Mr. Lalvani.—The difference to-day between the foreign and Indian prices is more than 3 pies. So, even if they continue to sell at their present prices, they will be able to sell, without having to reduce the rate.

Mr. Rahimtoola.—What is your present price?

Mr. Lalvani.—4 annas 2 pies. Indian Mills are selling at 3 annas 7 pies. That is the price they have given you, I think.

Mr. Rahimtoola.—3 annas 9 pies against your 4 annas 2 pies. There is at present a difference of 5 pies.

Mr. Lalvani.—Yes. If I drop my price by 3 pies, they can still sell without having their price drop.

Mr. Rahimtoola.—The effect may be that the price of Indian paper will be reduced by 1 pie or so.

Mr. Lalvani.—I think that if they reduce their price, they will be able to sell more.

Mr. Rahimtoola.—According to you, they have no surplus stocks.

Mr. Lalvani.—They say like that. When the new mills come up, they will have more. At present they themselves say "We cannot give the date of delivery. We do not know when we can give delivery".

Mr. Rahimtoola.—What do you think of the Indian paper generally? Has the quality improved?

Mr. Lalvani.—I don't think that there has been much improvement in quality. My friend here suggests that if there has been an improvement, it may be due to the use of imported pulp.

President.—Now the percentage of imported pulp used has gone down considerably. The highest percentage is 25 and the lowest is below 10.

Mr. Lalvani.—They import in the first two or three years of protection and in the last few years they don't import.

President.—I don't think that that is quite fair to the mills. They have gone on reducing their requirements of imported pulp. In some cases it is below 10 per cent. and the highest is 25 per cent. When the last Tariff Board enquired into the industry it was 50 per cent.

Mr. Lalvani.—What is the latest mill going to manufacture?

President.—They hope to manufacture kraft paper.

Mr. Rahimtoola.—As regards pulp prices, the highest price was about £20-10 between May 1937 and November 1937.

Mr. Lalvani.—It has gone down to £17-10 per ton.

Mr. Rahimtoola.—It has come down to £16 per ton.

President.—The present price of imported pulp and the duty on pulp compel the Indian mills to use indigenous pulp. They are increasing the quantity of indigenous pulp.

Mr. Lalvani.—That is one of the conditions of granting protection.

President.—Are there any questions which you would like to raise with the Board?

Mr. Lalvani.—No.

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20. Messrs. Calaridge & Co., Bombay.

- (1) *Letter No. 57, dated the 11th January, 1938, from the Tariff Board to Messrs. G. Calaridge and Company, Bombay.*

I am directed to say that in connection with their enquiry into the Paper and Paper-Pulp Industries in India the Tariff Board understand that you manufacture boxes for soaps, oils, chemicals, canvas shoes, etc., out of pulp or box board, and to request you to be so good as to give such information in this connection as you are in a position to furnish to the Board.

- (2) *Letter No. G. M. 23/348, dated the 19th January, 1938, from Messrs. G. Calaridge and Company, Managing Agents W. H. Brady and Company, Limited, Bombay.*

We have for acknowledgment your letter No. 57 of the 11th instant calling for information regarding the manufacture of Cardboard Containers and we would confirm that we do manufacture a considerable quantity of these articles out of straw boards, pulp-board, box boards and chromo boards.

All materials for the manufacture of these are imported into India, as up to the moment with the exception of straw boards, it is impossible to obtain any of this class of goods of Indian manufacture. Straw boards of Indian manufacture can be obtained in India, but our objection to buying this is due to the fact that the standard of quality is not maintained by the manufacturers and the difficulty in obtaining prompt supplies.

We would also now take this opportunity of placing before you the fact that we are experiencing very severe competition in the box-making business from Japan. Large quantities of printed cartons and boxes are imported by Indian business houses from Japan at rates which it is impossible for us to meet. We have tried to meet this competition by importing Japanese box boards, but our experience has shown that 100,000 boxes can be imported from Japan already printed and made up into boxes at about the same rate that it costs us to import sufficient box boards from Japan for manufacturing the same quantity of similar boxes.

Similar competition is also met with in the manufacture of Show Cards and Calendars.

You may verify the above statement by calling for the figures of such imports into this country from Japan from the necessary source.

- (3) *Letter No. N. D./5, dated the 26th February, 1938, from the Tariff Board to Messrs. W. H. Brady and Company, Limited, Managing Agents, Messrs. G. Calaridge and Company, Bombay.*

With reference to your letter G. M. 23/24, dated the 19th January, 1938, I am directed to enquire whether you wish to tender oral evidence before the Tariff Board in addition to the representation submitted by you in your letter under reference. If so, the Board would be glad to meet you at 12 A.M. on Tuesday the 15th March, 1938, in the New Custom House, Bombay. It is hoped that the date and time of the meeting will suit your convenience.

- (4) *Letter No. G. C. C. 67/355, dated the 3rd March, 1938, from Messrs. G. Calaridge & Co., Ltd., Bombay.*

We are obliged by your letter of the 26th ultimo, and we do not wish to tender any oral evidence before the Tariff Board unless there are any particular points regarding which the Board desires that we should give evidence. If so, we should appreciate prior notice.

We have no further remarks to make except that we consider that the Paper Industry is already amply protected in India by the various revenue and protective duties, and this protection has been artificially inflated by the 25 per cent. surcharge, which we think should be withdrawn.

We also do not think that protection should be widened to cover any further classes of paper. In our opinion, unduly high protection of a commodity such as paper is likely to defeat its own objects by increasing costs of matter printed in India with the result that users of print will import printed matter from abroad.

21. The Jaipur Mineral Development Syndicate, Jaipur.

Letter dated the 25th February, 1938.

We have been following with interest the few details we receive, through the medium of Newspapers, on the sittings of your Board regarding Paper Industry and Protection. We gather from this that the Tariff Board is considering the question of Raw Materials for the supply of the Paper Industry and as such we take this opportunity in addressing this to you and putting the following facts—regarding an essential raw material used in Paper, yet not used so far in India, for your knowledge and that of the members of the Tariff Board.

The raw material under question most useful and ideal for all types of paper making is Talc. Talc is Magnesium Silicate and as a natural product has been found most suitable and advantageous for paper making, than China Clay. Talc as a commodity, has been and is being *universally* used throughout the countries of the world as a material for paper making.

So far, in India it has not been used neither any efforts have been made to see if it can be used. Since the last 5 years we have put on the market a most suitable material of Talc, of the purest quality and are glad to state that within this short period we have made it known *throughout the world* as the best so far produced. We have one of the largest mines in the world and can produce any quantity to meet any demand and have the most up-to-date method of powdering by the Air Spun process, whereby we can produce the finest grades of powder of 200 and 300 mesh and this fineness gives our powder a colloidal structure as good as any finest Clay.

The advantages of Talc in the Paper Industry are numerous and the production of paper made with Talc far superior compared to the use of China Clay for paper making. We beg to hand you herewith enclosed a copy of an article on the use of Talc for paper, its advantages, and its benefits. This article is by Mr. Raymond B. Ladoo, who is an authority on this matter.

Some time, two years, back we took up the matter with the Paper Mills in India, but found a very cold response or rather no response to our overtures. We found that conservatism was so deeply rooted that any change for the better or something new could not even be tested out. For example a reply acknowledging our letter, literature, and samples from one of the biggest mills. European owned and managed, was that they knew the Talc was an excellent material for use in Paper, but as India had not used same so far, they could not consider this matter. Such replies were not encouraging to us but still we kept going and are glad to state that at least one firm, also pioneers in this line, took the matter up and accepted our proposal of free samples and assured us after test that they were quite satisfied and even ordered wagon load consignments for further tests and use. This firm mentioned above is Messrs. India Paper Pulp Company Limited of Calcutta.

Another question brought forward by certain Mill People, for example the Lucknow Mill People was about price. At present the Indian Paper

Mills buy China Clay. The best quality clays (imported) prices vary from Rs. 60 to Rs. 80 per ton at principal ports in India. Then there are the ordinary low grade quality clays, in India, and their prices vary from Rs. 35 to Rs. 45 per ton, according to quality and places.

Our Talc as we had already informed you is the finest produced so far in the world. Our Talc compared to the finest quality imported clay is a superior material for use in paper making, and even then we are offering same at about Rs. 50 per ton f.o.r. Calcutta stations. Another incident in this matter we wish to quote and which is regarding the Lucknow Paper Mill. When we pushed the matter regarding Talc they said that they could not use same as the price did not permit. They buy inferior grade Indian China Clay at Rs. 38 per ton while we offered our best quality powder at Rs. 45 per ton. Both prices of Clay and Talc are f.o.r. their Mill Station.

Talc if used in paper would be less consumed as compared to clay for the same quantity of paper produced and besides the other advantages as mentioned in the article, one big advantage would be that Talc would not deteriorate the machinery as clay does.

In the Delhi Statesman February 24th 1938 an article on the Boards' Enquiry at Lucknow is published, wherein we find a mention of the Dehra Dun Forest Research Institution, who are doing experiments on different types of wood pulp. In this connection, only the other day, i.e., on the 23rd instant we wrote to M. P. Bhargava Esq., Officer-in-Charge of the Paper Pulp Section, Forest Research Institute, Dehra Dun a detailed letter on the subject of Talc and wood pulp and a copy of which we are enclosing herewith.

We do not wish to go further with other details but would suggest that this question of the use of Talc in the Paper Industry should be thoroughly investigated if the Indian Paper Industries wishes to progress or keep up, compared to foreign imported papers.

As we stated above we are quite capable and prepared to supply the full requirements of all the Paper Mills existing in India, and should more go up, the supplies for even a double number of mills.

We beg to enclose herewith a few analysis of our material, uses of Talc in various industries, a few samples of our powder, our reference slip, etc.

We are always at your services for any further information you may require and we can assure you here that we are quite willing to supply free of cost for test purposes *any quantity* should you require same, as we are confident that our material would be found most suitable, as suggested. Our only difficulty at present is conservatism and prejudice against the use of any thing new than what is being used at present.

We thank you in anticipation for the consideration and interest you may show in this matter, which we have put before you and again assure you of our best services.

Enclosure I.

Copy of letter dated the 23rd February, 1938, from the Jaipur Mineral Development Syndicate, to the Officer-in-Charge of the Paper Pulp Section, Forest Research Institute, Dehra Dun.

1. PAPER INDUSTRY IN INDIA.

2. USE OF TALC IN PAPER INDUSTRY.

Under the above heading No. 1 an article appeared in the Calcutta "Statesman" of the 10th October, 1937. Considering that you are a party keenly interested in this Industry we wish to put the matters of heading No. 2 before you for your consideration.

We understand you are interested in the raw products, like wood, reeds and bamboo, etc., which go towards making paper pulp while we are interested in Talc which is one of the ingredients that go for making fine paper.

We beg to enclose herewith an article on "Utilization of talc in paper making" by a renowned author who is considered an authority on such subject.

Talc so far has not been known in India neither has it been mined or put in the market in a form suitable for industries, during last two years we have developed and are supplying almost all the industries with our powder which is ground by latest method, air separated, thus assuring the finest grinding and thus giving the powder a colloidal structure.

We have made enough overtures to the paper industry people, but it seems that the Indian industries still preserve that conservativeness and are diffident of changing over to anything that is good or new. Although use of talc in paper industry is nothing new in the world, may be to India, and although some of the Paper manufactures acknowledge to us that talc is the ideal substance for paper making, yet, as it is not used in India, so far they are diffident of using same. All the same we are glad to state that one of the pioneer firms in this industry in India have made several tests with our talc powder and affirmed its suitability and have taken several consignments for regular use, and have assured us that they would still carry further in this matter and put talc on the market for regular use in paper making.

We wish to put this matter before you as you are experimenting on the raw products which go towards making wood pulp for paper. There are several pulps which may not be suitable for paper or good paper unless properly used with the right quality ingredience for paper making. Talc on account of its quality particularly "Retention" is an ideal substance for paper making whatever be the type of wood pulp used.

We are enclosing herewith a few samples of our powder for your knowledge and test, a pamphlet on the uses of Talc and analysis of the mineral, etc.

For your information we may let you know that we have one of the biggest mine in the world and ample quantities for years to come to supply all the industries in India, as well as export throughout the world. We are already doing a big export to United Kingdom, America, Canada, Norway, Germany, etc.

For your information we may let you know that in Norwegian paper industries our Talc is highly praised and considered an ideal substance, even at a high price. If you realise that a progressive country like United States of America uses nothing except Talc for their paper industries and consume nearly 70,000 to 80,000 tons per year for paper making alone, you would understand the importance of Talc for paper making together with wood pulp.

As new paper mills are going up and new varieties of wood pulp are being investigated by you, we think the matter of Talc for paper making would be interest to you and we shall be thankful if you would consider this jointly with your wood pulp matter, to further the paper industries in India.

We are always at your services for any further information you may require on the subject and in the meantime if there are any developments and test, etc., carried out in this matter we shall be most pleased and grateful to hear of the results.

Extract from R. B. Ladoo's Book on Talc and Soapstone.

UTILIZATION OF TALC IN PAPER MAKING.

Probably the largest single use of Talc is as a filler or loading material in paper. The manufacture of newsprint consumes the largest quantities,

but Talc is used also successfully in many papers, from the cheapest to the finest grades. For the manufacture of the best grades of paper the requirements are freedom from grit (both oversize and siliceous impurities), alkalies, and carbonates; a fine-grain size (200-mesh or finer), and a pure-white color. For use in paper, Talc must be procurable at a price about equal to that of the best white clay, but paper makers could afford to pay slightly more if the talc is retained in paper better than the clay.

The matter of retention is very important as only the proportion of talc that is actually retained is useful. From many tests by chemists of Paper Mills on different talcs it seems definitely proved that talcs show a greater retention than most clays--in some talcs very much greater. In this respect true talc and pyrophyllite are alike. Results obtained by the laboratory of a large paper mill in an interesting series of retention tests of a pyrophyllite talc from Glendon, N. C., and of a typical high-grade clay are given below:

TABLE 4.—Retention tests of talc and clay.

Proportion added (per cent.)	Retention (per cent).	
	Talc.	Clay.
10	85.8	58.5
15	85.8	59.0
20	73.7	67.2
25	71.7	66.0

In examining talc for use as a paper filler, the methods and tests used for clay fillers are not applicable. Many paper men do not realise this fact, and therefore have often condemned talc as unsuitable for this reason. The retention of clay in paper is usually a function of its plasticity or ability to stay in suspension in water. If a clay shows poor suspension, the more difficult retention tests are often not made, and the filler is declared unsuitable. This test is usually fair for clays, but the suspension of talc is often very poor, whereas the retention is very high. Talc producers who wish to sell their product as a paper filler should be sure that actual retention tests are made (if the talc is otherwise suitable) instead of suspension tests.

The following data indicate the wide range of uses for talc in the paper industry.

TYPES OF PAPER.

Sugar papers treated with talc give from 60 to 80 per cent. ash, so that talc is preferable to Kaolin. Talc also covers better and is more economical than blanché.

Mill-finished papers.—Provided the raw material has been well prepared and sufficiently sized, talc has always given good results on mill-finished papers.

Coloured papers.—The shade of coloured papers prepared with talc is more pronounced and the glazing better than those treated with other minerals.

Wall papers.—Talc entirely prevents transparency when a new wall paper is placed over an old one.

Heliographic papers.—Talc is not only employed as an addition in the pulp, but also to give photographic papers a special surface.

Paper for poly copies.—Talc is very useful as a raw material. So far it has not been tried for recopying papers, but it facilitates the binding of duplex papers.

Hectographic papers.—The employment of talc is very advantageous in these qualities.

Impregnated papers.—As talc resists the effect of air and moisture, it can be advantageously employed for papers used for preserving purposes. Talc added to salicylic acid is a good preservative. It is also useful in the production of water-proof pasteboards.

Grease-proof papers.—In certain mills talc is used in the production of these papers. The quantity of the loading depends on the thickness and the purpose for which the paper is to be employed.

Crepe papers.—The addition of a little talc to crepe papers imparts a suppleness, but it must not be used for Chinese fibre papers.

Tissue papers.—Talc is an important factor in the preparation of silk papers made from wood pulp to replace the thin rag papers, as it is the only mineral that helps to produce the appearance of a rag paper. It diminishes the silky appearance and increases the opacity.

Thick papers.—For certain pasteboards and thick papers talc is useful, as it imparts moisture-resisting properties. This is particularly the case with highly glazed papers.

Pasteboards.—Talc gives the pasteboard a certain strength and prevents it from breaking when being cut. Talc is therefore a useful addition in the manufacture of playing cards. It can be used for most kinds of pasteboards. Added in proper quantities to the beaters, it imparts a special surface and advantageously influences the coloring. In certain cases talc can replace asbestos for packing steam joints. Mixed with sulphite, a pasteboard can be made which can be used for boiler joints. The pulp so prepared is practically indestructible, whereas pasteboard made without talc requires to be replaced at each boiling. Talc-prepared pasteboard has also been used to replace the rubber parts of a hydraulic press with most satisfactory results.

Papier-Maché.—Different trials made with talc have given good results in the making of papier-maché. This especially applies to papers used for cartridge tubes and receptacles of all kinds.

INFLUENCE ON TALC.

Finishing and coloring.—Papers and pasteboards containing talc acquire a very high surface. Printing papers made from a mixture of 80 per cent. fresh mechanical pulp and 20 per cent. wood pulp can be sized with talc bound with about one-fourth per cent. potato starch, after the pulp has been made mordant with sulphate of Alumina. This treatment fulfils all conditions required for a good sizing of newspaper of average weight, while a great economy of rosin and alum is effected.

Mineral Loadings.—For papers requiring a good sizing it is generally advisable to add talc after the sizing has taken place. Good writings have been obtained, however, by adding first in the beater the solution of sulphate of alumina, then the talc, and finally, just before emptying, the cold-sizing milk. The loading waste is generally less if the talc is added before the size.

Whiteness.—An addition of talc imparts to raw sulphite pulp or lightly bleached fibrous matter a whiteness equal to that of highly white pulps.

Flatness.—Talc gives a perfect flatness to paper which no other mineral enables it to obtain. It prevents the paper from shrinking after the damping and during the calendering.

Use of blocks.—As already stated, talc is the best means of protection against the presence of dust in papers made from cylinder machines. It is only thus that lithographic papers can be produced which will not damage the surface of blocks.

Talc as a substitute for rosin.—It has been generally admitted that Americans were the only manufacturers able to produce newspaper without rosin, as the pulp they employed contained natural colloidal rosin, so that

they only addition they required was asbestos or talc. Papers free from mechanical pulp, not sized, have been very successfully produced in European Mills, however, for the production of the most finished printings, and especially the famous Oxford papers.

The fundamental basis of this manufacture resides in the employment of minerals, of which talc is the chief, for the following reasons: The more the surface is able to absorb color, the less ink and coloring impregnants (such as turpentine) are required and less pressure is needed at the moment of receiving the color; talc is the finest distributor, adheres equally to the small fibres, and prevents irregularities of the surface of the paper. When the printing is done properly the finest lines appear neatly on the paper. In these conditions high-priced rosins can be totally or partly dispensed with, according to the nature of the pulp.

Talc prevents colors from appearing in transparency when printed on thin Oxford paper.

USE OF TALC IN SCANDINAVIA.

In an important Scandinavian mill, where Chinese and Japanese absorbent paper is made with Styrian talc, a test revealed that from 90 to 95 per cent. of the talc remained in paper. The results were obtained without the addition of potatoe starch.

The papers containing talc commanded a price almost equal to that of very high quality paper. They were suitable for pen and brush writing, and their whiteness and purity and entire absence of sand brought them into favour and created a demand. They were also easily worked on the machine, and the sheet did not adhere to the presses as when potato starch was used. Moreover the felts and wire did not get dirty so quickly as when potato starch was used, and the life of the felts and wires was longer and depreciation considerably lessened.

The greasiness of talc enables it to be absorbed at a higher grade than any other loadings and it gives more resistance to the structure of the paper, of which it suppresses the roughness.

ADVANTAGES OF TALC.

Before the employment of chlorine for bleaching, the whiteness of the papers was augmented by the use of minerals that answered the purpose on account of their own whiteness and covering qualities. These mineral matters gave more whiteness and brightness to the white-rag shade and thus increased its white appearance.

About the middle of the last century Belgian paper makers, and later on, Germans, produced papers strongly loaded with mineral matters. These papers were soon greatly in demand. Later still the making of mechanical pulp supplied a cheap raw material; but the papers containing such pulp were not liked, and the prejudice was justified through the want of technical experience at the beginning.

Chemical pulp then made its appearance, and in this the defibred wood found a valuable auxiliary. The chemical and mechanical fibers were felted together in a very advantageous way on the machine, though a third substance was wanted to fill up the pores and empty spaces of the mechanical pulp, as this by itself has very little suppleness. Talc, together with the mineral loadings and rosin size, produces an even web. The paper loses its woody character and acquires the appearance and feel of rag paper.

The obstacles that the new method often met must be attributed to wrong treatment. In some cases the quantity of loading or mechanical pulp added to the rags or wood pulp was too heavy; in other instances the addition was too small or the material was unsatisfactory or the workmen were too inexperienced.

All minerals used as loadings before the employment of talc have shown their defects. Lime sulphates, though pure and white, remained in a small

proportion only in the paper. The asbestine imported from America, which is a kind of siliceous magnesia, has given fairly good results, but its dryness and rough feel made it objectionable.

Talc, which is also a silicate of magnesia—but free of iron, sand and chalk—answers all requirements as the smoothest loading material and the softest to the touch.

Enclosure II.

Abstract from the Chapter on Talc in Non-Metallic Mineral by Mr. B. Ladoo of United States of America.

USES OF STEATITE (TALC, SOAPSTONE, FRENCH CHALK) IN DIFFERENT INDUSTRIES.

In the Paper Industry Talc is used chiefly as a filler. In several ways it is superior to English China Clay, more widely used for this purpose. The principal advantages of Talc are its cheapness and its retention in the finished paper.

In Paint Talc is used principally as an inert extender for which purpose it competes with ground Silica, Whiting, Clay and other inert finely ground mineral substances.

In the manufacture of Rubber, Talc used chiefly as a dusting agent, but is also used as a filler in a lower grades of rubber goods.

Some of the other uses for which ground Talc is adapted are as follows:—As a filler in Soap; in foundry Facings; Wire Insulating Compounds; in Lubricants; as a filler in Linoleum and Oil Cloths; as a filler in Cotton Textiles; as an Absorbent for Oils, Odours, Organic Colours; etc., in the dressing and manufacture of Leather; as a Cleaner and Polishing Agent of Rice, Peas, Coffee, Beans, Peanuts, etc., as a filler in a Window Shade Cloths; in Making Coloured Crayons, as Dusting Agent in Making Candy and Chewing Gum.

An important but from a tonnage stand point a rather mean use for massive Talc is in the manufacture of Lava Gas burner Tips and electrical insulations. Lava is a trade name for a hard dense substance made by baking certain types of Talc at high temperature. For the manufacture Lava Talc must be fine grained homogenous, compact and without cleavage or with very poor cleavage; it should have a low water contents, must be free of grit and low in iron. If the Talc has these qualities it must be subjected to cutting and baking tests before its suitability can be entirely established.

22. Newspapers, Printers and Publishers.

(1) Circular letter No. 21, dated the 6th January, 1938, from the Tariff Board to certain Newspapers, Printers and Publishers.

I am directed to forward herewith a set of questionnaires issued by the Tariff Board to (a) Manufacturers, (b) Importers and Traders and (c) Newspapers Printers and Publishers in connection with their enquiry into the Bamboo Paper and Paper Pulp Industries which has been referred to them by the Government of India, Department of Commerce, in their Resolution No. 202-T(1)/36, dated the 11th December, 1937.

2. I am to request you to send your replies to questions in which you are interested at an early date and in any case not later than the 31st January, 1938, addressed to the Secretary, Tariff Board, at No. 1, Council House Street, Calcutta.

(2) The "Statesman", Calcutta.*Letter dated the 24th January, 1938.*

With reference to your letter No. 21 of the 6th instant, we would inform you that as reeled paper made from soft pine pulp, suitable for rotary presses, is not manufactured in India, we have to import all our newsprint from abroad. We are, therefore, not in a position to express an opinion about the quality of Indian made paper for newsprint purposes, and as imported newsprint carries only a revenue duty, we are not affected by the protective tariff in so far as our newspaper requirements are concerned.

As regards paragraph 6 of the questionnaire, we wish to state that on several occasions we have had cause to complain about the methods employed for determining newsprint for Customs purposes. The existing mechanical and chemical tests are, in our opinion, not adequate and do not form an exact method for distinguishing, for example, between a hard sized paper and a thick highly finished newsprint which is not hard sized.

The test until lately employed in the Government laboratory for this purpose depends for its accuracy on the nib used, and will, moreover, give totally different results according to the humidity of the paper at the time of the test, the viscosity of the ink and the pressure on the nib.

Owing to the inaccuracy of this test it sometimes happens, as in the case of a shipment of newsprint we imported by the S. S. "Modasa" in August 1936, that paper is wrongly assessed and not admitted as newsprint under section 44(2) of the Sea Customs Act. The assessment in this instance was, we would add, subsequently reversed on our appealing to the Governor General in Council.

(3) Caledonian Printing Co., Ltd., Calcutta.*(a) Letter No. G. 6244, dated the 27th January, 1938.*

As requested in the second paragraph of your letter dated the 6th January, we now attach replies to your questionnaire which we trust will be of assistance.

1. The quantity of paper used by us is as follows:—

	1931.	1932.	1933.	1934.	1935.	1936.	1937.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Imported	50	45	28	42	41
Indian	46	51	51	52	76

2. In our opinion the quality of the printing papers has improved considerably during the past seven years. We do not think, however, that the locally made Imitation Art Papers compare favourably with the British or Continental mills. The Indian mills do not seem to have tried seriously to compete with the imported writing papers. Coated and wrapping papers are not made in India.

3. The paper trade has for so long enjoyed protection that it is almost impossible to state with any degree of accuracy its general effect on the printing industry. The answer to question No. 4 will to some extent answer this question.

4. The cost of paper must definitely affect the amount of printing given out each year. In one catalogue order alone the duty charged on paper amounted to Rs. 1,150. The customer, as is general will allow only so much for printing so the print order is necessarily curtailed.

5. It is not possible for us to answer this. We think the Customs authorities will have some better idea of the volume of printed but unbound sheets that are imported.

6. We have experienced no inconvenience in this respect.

7. Indirectly, Printing Machinery and Printing Ink Manufacturers.

8. We consider sufficient protection will be afforded the paper making industry in this country if—

(a) preferential revenue is imposed at

(b) existing rates except in classes of paper specified under Section 44(1) of the Indian Customs Tariff, which should be given a tariff value of As. 2-9 per lb.

We consider that the price of imported paper is likely to remain high for a long period, which supplemented by a revenue duty as suggested above, will give the paper making industry in this country more than sufficient protection whilst relieving the printing industry from what is rapidly becoming a monopoly in moderate prices printing papers possessed by Indian mills.

9. We have no suggestions to offer.

10. If the Tariff Board cannot see its way clear to recommend lightening of the protection duty in any other form we do earnestly suggest the removal of the present surcharge.

(b) *Letter No. G. 6406, dated the 20th April, 1938.*

We desire to draw your attention to the recent Customs Ruling No. 13 of 1937 which states that "Catalogues may now be allowed in free of all duty charges" under Section 45 (1) of the Tariff Schedule. This ruling appears to defeat the object of restricted entry as provided for by Section 44 (4).

The Collector of Customs, Calcutta, gives us to understand that he would regard even an 8-page pamphlet as a catalogue, and accordingly would allow it to be imported free of duty.

Section 45 (1) was obviously not intended to cover catalogues and we cannot understand why departmental rulings of this nature are allowed to be made.

We, therefore, would be grateful if you would give this matter your attention.

(4) The Ananda Bazar Patrika, Limited, Calcutta.

Letter dated the 29th January, 1938.

In reply to your letter No. 21, dated the 6th instant, we would inform you that as newsprint suitable for rotary presses is not manufactured in India we have to import all our newsprint from abroad. We are, therefore, not in a position to express any opinion about the quality of Indian made paper for newsprint purposes. The imported newsprint that we use carries only a revenue duty; so we are not affected by the protective tariff so far as our newspaper requirements are concerned.

As regards paragraph 6 of the questionnaire, we wish to state that the existing tests for determining newsprint for Customs purposes are not at all satisfactory. These tests sometimes lead to inaccurate decision so far as hard-sized paper and a thick highly finished newsprint which is not really hard-sized are concerned.

We understand that owing to this inaccuracy, a shipment of newsprint imported by the Statesman Limited per S. S. "Modasa" in August, 1936,

was wrongly assessed and not admitted as newsprint under Section 44 (2) of the Sea Customs Act. The assessment in this case was, we understand, subsequently reversed by an appeal to the Governor General in Council.

What we would like to impress therefore is that the so-called hard-sized paper which at times occurs when a thick substance super-calendered newsprint is imported must on no account be assessed under the protective duty. The Customs authorities should be made to understand that the newspaper offices who import large quantities of newsprint in their usual specification, be it a little hard or soft-sized, is meant for newspaper printing only and for no other purpose.

The difference between unglazed and glazed newsprint should be more closely scrutinised, as glazed or super-calendered printings are actually passed through calendering machine after the paper is manufactured. But the machine-finished newsprint, we understand, is the product of up-to-date news-machines and not calendered as aforesaid although it gives a smooth surface as opposed to actual unglazed newsprint. The extra duty of 4 annas per cwt. which according to the present Customs tariff is now realised on the glazed newsprint must on no account be levied in case of the machine-finished newsprint.

We would also like to impress here that the import duty on newsprint is a drag on newspapers and consequently an obstacle to the spread of public education. The newspaper in many countries is considered as an educational medium and for this purpose is encouraged by Government to print as large papers as possible. America, one of the greatest protectionist countries of the world and a great producer of wood pulp, allows newsprint to enter the country free of duty. Great Britain and France, non-producing countries, admit newsprint free, while Germany which is self-supporting in wood-pulp levies only a nominal duty. But India which is entirely non-producing in wood pulp levies Rs. 1-8 per cwt. which is certainly very high.

As India is a non-newsprint producing country we feel that Indian newspapers are entitled to special consideration of the Government in this matter. And if complete abolition of the import duty is impossible, the duty should be substantially reduced and should not exceed 5 per cent. *ad valorem*.

We hold the same view about other paper of superior quality such as is used for printing of books and better class periodicals. A heavy tax on this paper is practically a tax on the education of the people, and this point also surely deserves best consideration of the Government.

(5) Bengal Association of the Master Printers and the Allied Industries, Calcutta.

Letter dated the 31st January, 1938.

I am directed to forward herewith a reply to questionnaire issued by the Tariff Board to (c) Newspaper, printers and publishers in connection with their enquiry into the Bamboo Paper and Paper Pulp Industries which has been referred to them by the Government of India, Department of Commerce, in their Resolution No. 202-T(1)/36, dated the 11th December, 1937.

1. Does not apply to the Association.
2. There has been considerable improvement in the quality of Indian paper have regard to the ordinary printings and wrappings. The standard of the imitation art and writing papers is far below that of imported papers.
4. Printing is easily controllable in the budget of consumers and the amount available for printing costs being thereby limited the greater the

proportion absorbed by the cost of materials the less is the proportion available for all other costs involved. In comparison with most other countries paper in India is at a higher ratio in total printing costs and consequently the volume of printing in India is proportionately lower for every unit of value spent in printing.

5. This Association is unable to answer this question but when unbound sheets printed in vernacular are imported it is obvious that evasion of Customs duty is the main reason, as they are invariably copied from a master sheet prepared in this country.

6. No reports of difficulties regarding the application of the existing tests for determining newsprint for custom purposes have been received by this Association and we have no modifications to suggest.

7. Printing machines, printing material (other than paper) and equipment, and printing ink manufacturers are effected in so far as volume of printing is limited due to the higher cost of paper as the result of protective duties.

8. Cost of paper in other countries is continuing to rise. Factors are: increased armament production and the growth of rayon, plastic and other industries all causing extra consumption of wood pulp resulting in an increase in price of this commodity and increases in coal, transport, other paper making materials, machinery and labour costs. These factors occurring in the West have probably not reached their peak. The increase in the cost of wood pulp and other paper making materials and machinery are of course felt by the Indian paper maker equally with the paper maker in other countries in so far as he imports these items. It therefore seems desirable and opportune to push still further the efforts being made to render this country more self-supporting in the question of wood pulp by utilising bamboo and other indigent fibres. Could this object be achieved the need for protection would almost if not entirely disappear.

This Association therefore suggest that paper no longer needs a protective duty and that Revenue or Preferential Revenue duty as the case may be only should be imposed. It is further considered that the Tariff value of printing paper item 44 (i) should be raised to 2 annas 9 pies per lb.

9. This Association has no suggestion to offer.

10. This Association recommends the removal of existing surcharge on protective and revenue duties in advance of any main recommendations which the Tariff Board may make as it is considered that this would have the immediate effect of increasing the production of printed matter in this country.

(6) Oxford University Press, Bombay.

A.—WRITTEN.

(a) *Letter No. 570/P7/M, dated the 17th January, 1938.*

Bamboo Paper and Paper-Pulp Industries Enquiry.

With reference to your questionnaire No. 21, dated Poona, the 6th of January, 1938, we wish to state that as educational publishers we are of opinion that the protective duties on paper should be abolished. Any protective duty is in the long run passed on to the customer, and education is made the more expensive. If it is the policy of the Government to spread and cheapen education, protective duties on paper should be abolished.

(b) *Letter No. 392/P7/M, dated the 17th March, 1938.*

In accordance with your Chairman's request, I attach a schedule of the rates we have paid for representative imported and Indian papers during the years 1932-38.

The Indian papers seem to lose their whiteness more quickly than imported papers, but are slowly but steadily improving in quality.

We think school children should have the best paper available, and should well come the abolition of a protective tariff which would either allow us to use better paper or to reduce our published prices. The great majority of the books we publish in India are educational books, which should be cheap and well printed.

Samples of paper are attached for your reference.

Comparative prices for similar qualities of Imported and Indian Papers annas per lb.

		Imported. (Inclusive of duty).	Indian.
		D. C. 32 lb. '438' M. F.	D. C. 30 lb. M. F. (Titaghur).
		As. P.	As. P.
1932	.	4 0	3 6
1933	.	4 0	3 6
1934	.	3 9	3 4
1935	.	3 9	3 4
1936	.	3 9	3 3
1937	.	4 7½	3 5½
1938	.	4 10½	3 5½
		D. C. 40 lb. I/A.	Imp. 40 lb. I/A.
		As. P.	As. P.
1932	.	4 0	3 6
1933	.	4 0	3 6
1934	.	4 0	3 4
1935	.	3 10	3 4
1936	.	3 8	3 3
1937	.	4 6	3 5½
1938	.	...	3 5½
		D. C. 60 lb. Cover.	
		Dickinson.	Morgan.
		As. P.	As. P.
1932	.	7 0	3 6
1933	.	7 0	3 6
1934	.	7 0	2 6
1935	.	8 0	2 6
1936	.	8 0	3 0
1937	.	8 3	4 0
1938	.	8 3	...
			Titaghur.
			As. P.
1932	.		3 0
1933	.		3 0
1934	.		3 0
1935	.		3 0
1936	.		3 3
1937	.		3 7½
1938	.		3 7½

Evidence of Mr. R. E. HAWKINS, recorded at Bombay on Tuesday the 15th March, 1938.

B.—ORAL.

President.—As a result of the protective duties has the price of books gone up in India?

Mr. Hawkins.—I should say that the prices of books have gone up about one anna a rupee.

President.—Has it affected the amount of printing done in India?

Mr. Hawkins.—I should say not at all.

President.—We have been told, in Madras for instance, that the number of books printed in India has decreased because it is really cheaper to print, say, in England and of course, as you know, books come in free of duty.

Mr. Hawkins.—We print almost entirely in India.

President.—It has not affected you: you have not changed over to printing in England?

Mr. Hawkins.—I have some figures here which would interest you. In 1934 we printed 103 books in India and 8 in England; in 1937 we printed 141 in India and 18 in England. It is a slightly higher percentage but that is due more to the better workmanship we get in England than to the question of cost. The cost of paper does not come into it at all: I am quite sure of that.

President.—As you know, printed sheets intended for binding up into books are admitted free of duty. Has that adversely affected printing in India at all?

Mr. Hawkins.—I should say not at all. If we import printed sheets, that is for one of two reasons, either they cannot be equally well printed in India or there will be such a small demand that it will not be worth while printing them in India. When we import sheets, we import sheets of coloured children's books. Two- or three-coloured blocks are more expensive to print here and the total demand will be perhaps a 1,000. So we do not print these in India at all because we have to sell these at a cheap price. The only way to do so is to import the sheets and bind them here.

President.—Binding is cheaper here than in England?

Mr. Hawkins.—For small quantities but not for large quantities.

President.—The suggestion has been made that people have taken advantage of the fact that if they print in sheets the paper comes in free whereas if they have to use imported paper for printing they have to pay duty on it.

Mr. Rahimtoola.—Do you think that a large quantity of printed papers unbound are coming in?

Mr. Hawkins.—A very small quantity. We import extraordinarily few printed sheets. If we print in England we take out the first impression there and bring the plates into India and subsequently print them here.

President.—In Madras we were told actually the reverse by the Diocesan Press. They said the first impression is printed in India and all subsequent printing is done in England.

Mr. Hawkins.—In our case the first impression is done in England because we get better workmanship there and all subsequent printing is done in India.

President.—Do I understand that the plates are not made so well in India as in England?

Mr. Hawkins.—The composition is not done properly. Here the compositors are working on foreign matters and they cannot be so skilled.

The machinery also is not good and most printing presses are not so well equipped.

Mr. Rahimtoola.—But surely you can get quite good printers in India.

Mr. Hawkins.—Unfortunately the general quality is very much better in ordinary English printing houses than in the ordinary Indian printing houses.

Mr. Rahimtoola.—Is it the handling of the thing?

Mr. Hawkins.—When an author's MS. is received, very often the punctuation is imperfect; the spelling is imperfect. In England the compositor very often uses his judgment and in India you cannot expect him to do that. That is not satisfactory: it means that a lot of correction has subsequently to be made.

President.—In Madras the suggestion was made that printing was unduly expensive in India because, first of all, you have to pay duty on all your printing machinery; then you have got to pay duty on imported paper if it is protected. If you buy Indian paper the price is higher than in England and therefore the printing trade is at a disadvantage in India compared to England?

Mr. Hawkins.—That is true as far as large editions are concerned.

Mr. Rahimtoola.—Your impression is that the printing done in India is inferior to that done in England?

Mr. Hawkins.—Definitely so.

President.—A suggestion was made in Madras that a duty should be put on books in order to encourage printing in India. Have you any views on that subject?

Mr. Hawkins.—I say the principle is thoroughly bad, that it is a tax on knowledge and I should say no country with pretensions to civilisation will impose a duty on books.

President.—Some countries do have duty on books.

Mr. Hawkins.—Australia used to have one. I do not think they have it now.

President.—I think the United States of America have it.

Mr. Hawkins.—I do not think there is any duty on books in languages other than English nor on single copies of English books. Similar protection would be afforded in India by a tax on imported books in Hindusthani.

Mr. Rahimtoola.—Do you use more Indian paper for your printing than imported paper?

Mr. Hawkins.—I should say half and half.

Mr. Rahimtoola.—What do you think of the quality of Indian paper?

Mr. Hawkins.—It has improved but is still inferior to imported paper.

Mr. Rahimtoola.—What qualities do you generally use for your work?

Mr. Hawkins.—Double crown 32 lbs. mill finished.

Mr. Rahimtoola.—What is the price at the present moment of the imported paper of the same quality?

Mr. Hawkins.—I cannot tell you.

Mr. Rahimtoola.—Can you send us the prices?

Mr. Hawkins.—Yes.

President.—Prices have gone up considerably recently?

Mr. Hawkins.—Yes.

President.—Can you give us a few typical prices for the last three years?

Mr. Hawkins.—No. I do not handle the paper myself.

President.—Don't you purchase paper for printing purposes?

Mr. Hawkins.—Yes. But I personally don't.

President.—You will be able to send us?

Mr. Hawkins.—We will send you a few prices of Indian paper and imported paper preferably of the same quality.

President.—Do you think they are good enough for printing purposes?

Mr. Hawkins.—Usually we use paper which we cannot consider good enough because school books must be cheap and the cost of paper represents about 30 per cent. of the total cost of production of a book on an edition of about 4,000. Therefore it is most important that we should not spend too much on the paper though we should like to use much better paper than we usually do.

Mr. Rahimtoola.—Do you use any cartridge paper?

Mr. Hawkins.—Very seldom.

Mr. Rahimtoola.—Do you make any drawing books?

Mr. Hawkins.—No.

Mr. Rahimtoola.—Do you print any vernacular books?

Mr. Hawkins.—Yes. I can give you some figures—in 1934 we printed 24 and in 1937 we printed 25.

President.—Actually the total number of books printed in India has, if anything, tended to decrease. It is rather interesting.

Mr. Hawkins.—Very interesting.

President.—In 1928-29 English is 2,556, in 1933-34 it has gone up to 2,623; on the other hand Indian books have fallen from 14,427 to 14,140. Periodicals on the other hand have increased slightly.

Mr. Rahimtoola.—Do you print any advertising circulars?

Mr. Hawkins.—Yes.

Mr. Rahimtoola.—At present they come in duty free. Don't you think it would be cheaper to print them in India?

Mr. Hawkins.—When we print them here we print them for the books we produce in India. We want them quickly and it would not be worthwhile to have them printed abroad. When we import them, we import them in small numbers for books which have been printed abroad. We would import 100 copies of prospectuses with 100 copies of books.

President.—The suggestion has been made that in order to encourage printing in India a duty should be put on all advertising circulars sent in bulk.

Mr. Hawkins.—It would affect us quite seriously because we get circulars from our London house. We are agents for all their publications. The market in India for each individual publication is small and we cannot afford to print prospectuses for each publication in India. The effect of the duty would be that there would be no prospectuses sent out with the books printed there.

Mr. Rahimtoola.—Can't you have prospectuses printed here? If necessary you can have one copy brought out with the book.

Mr. Hawkins.—It would not be worthwhile to do it here.

Mr. Rahimtoola.—You mean the cost will be very heavy?

Mr. Hawkins.—Comparatively, to print 100 copies. It is worthwhile if we were to print 1,000 copies.

Mr. Rahimtoola.—Is it not a fact that you get the advertising circulars free of charge along with the books ordered by you?

Mr. Hawkins.—Advertising matter shipped to India is liable to a 10 per cent. duty. Posted prospectuses come in free of duty.

Mr. Rahimtoola.—But if you print them here you incur a certain amount of expenditure?

Mr. Hawkins.—Yes.

Mr. Rahimtoola.—Apart from the duty, you do not pay anything extra?

Mr. Hawkins.—No, we in India do not pay: our London house pays. It is the same firm.

Mr. Rahimtoola.—Is anything extra paid at all for the advertising circulars apart from the cost of books?

Mr. Hawkins.—We do not pay direct for advertising matter. In the same way, when we publish a book in India and it is going to be sold in England we always print the prospectuses with English prices and send those to England and we do not charge for them. It is a means of selling the book.

Mr. Rahimtoola.—You mean it is for purposes of propaganda?

Mr. Hawkins.—Yes.



(7) The Times of India, Bombay.*Letter dated the 22nd January, 1938.*

In reference to your circular No. 21 of the 6th instant, we beg to reply to your questionnaire as under:—

1. The following are the approximate quantities of papers, imported and Indian, used by us during the past 3 years:—

	Imported.	Indian.
	Tons.	Tons.
1935	530	58½
1936	535	78½
1937	524	76

This is exclusive of newsprint which cannot be made in India.

2. The quality of Indian paper has not improved to any appreciable extent during the past 6 years, and in many cases it is unsuitable for the production of high class printed matter (in which we are particularly interested), for which art paper is generally used. This is not made in India. Indian made imitation art is inferior to imported qualities.

3. Although no statistics are available, it is generally accepted that the high cost of paper curtails the amount of printing used and that more would be done were it possible to produce more cheaply. For instance, duty at 1 anna 3 pies per lb. means 50 per cent. on some qualities which must be imported and Indian paper is always only very slightly cheaper, as its cost is adjusted according to the rise and fall in cost of foreign paper.

5. We have nothing definite to state on this subject although we have been informed that the practice exists. We suggest the Customs Department could give this information.

6. For some years we have had no difficulty with the Customs Department in the application of the tests for determining newsprint and have no modifications to suggest.

7. We have no information.

8. If protection is to be continued, we suggest that the original rate be adopted, namely, 1 anna per lb., which is ample to protect the industry, and the surcharge should be removed. This will give a measure of relief to all printers as Indian papers would also be reduced in price.

9. We have no alteration to suggest to the classifications of papers to be subject to the protective duty.

(8) The Bombay Chronicle, Bombay.*Letter dated the 29th January, 1938.*

With reference to your letter No. 21, dated the 6th instant, we have to state that we use mostly newsprint and as it is not made in India we have to depend entirely for our requirements on supplies imported from abroad.

As regards the test at present carried out for ascertaining the mechanical pulp content of newsprint for assessment of Customs Duty we are of the opinion that it is to a certain extent empirical and as such not quite satisfactory. We, however, cannot make practical suggestions for alternative tests as we are not conversant with the scientific or technical side of the manufacture and testing of paper.

(9) Messrs. Macmillan & Co., Ltd., Bombay.*Letter dated the 31st January, 1938.***BAMBOO PAPER AND PAPER PULP INDUSTRIES.**

With reference to the set of questionnaires which has reached us through the Secretary of the Tariff Board, Poona.

We as publishers, have pleasure in supplying you with the following answers:—

1. *Quantity of Paper used since 1931-32.*

(A) *Imported.*—Only in negligible quantities.

(B) *Indian.*—The total, to date, for the use of our Bombay, Calcutta and Madras Offices, is approximately 15,500 reams.

2. We are only interested in paper in connection with the books which we produce and publish in India. The quality of the paper supplied by the Titaghur Paper Mills is now satisfactory for the purpose.

3 & 4. The effect of protection on paper of the quality we use has been to make the cost of Indian paper approximately the same as that of imported paper. Indian paper therefore has no advantage to us, as publishers, over imported paper and our substitution of the former for the latter has been made for the purpose of encouraging Indian industry.

5. While the great majority of our Indian books are printed in India, we sometimes import printed sheets unbound for the purpose of binding in India, not with the object of evading Customs Duty, but for the purpose of securing in particular cases an economy in cost of production (the benefit of which is given to the public in the selling price) and, in some cases, a higher quality in printing.

6 & 7. We have no comments to offer on these questions.

8, 9 & 10. As publishers, our interest is confined to consideration of quality and price; it is therefore directed to giving preference to Indian paper (for the reason already mentioned) so long as it is able to satisfy the standards which we require.

सत्यमेव जयते

(10) Messrs. Addison & Co., Ltd., Madras.*Letter dated the 13th January, 1938.*

Replying to your No. (2) Questionnaire, dated the 6th January, we find we can only answer a few questions in the last section relating to newspapers, printers, etc. Our reply is in general terms as it is not convenient to give figures.

Most of the paper we use is imported and only a small percentage Indian made. Indian paper has improved, but is not of sufficiently high grade yet or made in the qualities we want to be used for our better class advertising or Account books.

Answering Nos. 3 and 4, we may say that years ago, our chief business was printing, but since 1931 it has not been at all a profitable business. We have extended our other lines, i.e., motor cars, typewriters, office appliances, etc., and also developed our engineering side. Our printing press has been reduced to a fraction of what it was. We have found that advertisers are not willing to pay the high prices for printing which the increased cost of paper necessitates. In fact, it is often a question whether it is better to import catalogues rather than print them ourselves.

There is one aspect which affects both the protective, and to a much greater extent, the existing surcharge which, we feel, has not been taken into consideration with sufficient weight. We have never heard it referred

to as such. It is: how far does the high import duty on say posters, printing paper, etc., affect the sale of the products which the posters, catalogues, printed matter, etc., advertise? This applies both to imported articles and to those made in India. We would all like to see the general trade in India to improve, both from the local manufacturers' side and also imports. Without a good flow of imports, you cannot get the exports to counter-balance. We are of opinion that, by sacrificing a little on the advertising, the Tariff Board will benefit many times over by greater business in the commodities advertised.

We note recently that posters advertising 'holiday trips' on the Continent, etc., were allowed in free and we fail to see how that is going to benefit the trade and commerce to any material extent, as it only encourages people to go to other countries and spend their money there. As a contrast to this, we may mention that we have recently been charged very heavy duties on some posters received from a motor manufacturer and we have given them instructions to cease sending us such posters. Motor cars are not manufactured in India, and those that come in pay a very high import duty. Please contrast the above and you will see our point. A similar state exists in regard to typewriters and several other articles which are not luxuries but absolute necessities in this country and the extended use of which would be of material benefit both to the business community and the Government in general.

(11) The Hindu, Madras.

Letter dated the 19th January, 1938.

With reference to your letter No. 21, dated the 6th January, we enclose herewith our reply to the questionnaire issued by the Board so far as concerns us.

All the newsprint we use is imported and so far as our enquiries go, it does not appear that Indian Mills intend, in the near future, to manufacture substantial quantities of newsprint of a quality suitable for newspapers. The present arrangement, therefore, whereunder newsprint pays only revenue duty has necessarily to be continued.

As regards paragraph 6 of your questionnaire, we have had the advantage of seeing the reply submitted by "The Statesman". That reply, you will have noticed, states *inter alia*:

"As regards paragraph 6 of the questionnaire, we wish to state that on several occasions we have had cause to complain about the methods employed for determining newsprint for Customs purposes. The existing mechanical and chemical tests are, in our opinion, not adequate and do not form an exact method for distinguishing, for example, between a hard sized paper and a thick highly finished newsprint which is not hard sized.

The test until lately employed in the Government Laboratory for this purpose depends for its accuracy on the nib used, and will, moreover, give totally different results according to the humidity of the paper at the time of the test, the viscosity of the ink and the pressure on the nib.

Owing to the inaccuracy of this test it sometimes happens, as in the case of a shipment of newsprint we imported by the S.S. 'Modasa' in August, 1936, that paper is wrongly assessed and not admitted as newsprint under Section 44 (2) of the Sea Customs Act. The assessment in this instance was, we would add, subsequently reversed on our appealing to the Governor General in Council."

We entirely agree with these remarks and trust that it will be possible for the Board to recommend a method of test which will be fair to the newspaper industry.

Reply to questionnaire.

	Tons.
1. (a) Imported	7,085
(b) Indian	Nil
10. No change is required from our point of view.	

(12) Associated Publishers, Limited, Madras.*Letter dated the 30th January, 1938.*

I enclose herein the replies of the Secretary, Diocesan Press, Madras, and ourselves, to your questionnaire for newspapers, printers, and publishers, and to a part of your questionnaire for Importers and Traders.

These replies are in fulfilment of a promise made by Mr. W. H. Warren and the undersigned when they met Sir Geoffrey Bracken, your Chairman, in Madras.

Replies to questionnaire for Importers and Traders.

1. None of the imported papers can compete with Indian made paper of the same quality. Such foreign paper as is imported is of a quality which Indian Mills are not able to manufacture.

2. Same as above.

3. Generally Indian papers are cheaper than foreign by about 3 pies per pound.

4. Nil.

5. It is not our experience that foreign papers are sold at unremunerative prices.

6. Throughout India.

8. We have not discovered any difference in the price of paper made from bamboo and that of paper made from other indigenous materials, where the paper is of the same quality. All Indian-made paper prices are fixed by the Paper Mills Convention.

9. No variation.

10. We have discovered no improvement that can fairly be attributed to the protection afforded Indian paper.

11. The present methods of appraisement are not clear, and much trouble and delay is caused by the refusal of the Customs authorities to accept the statements of *bona fide* importers should there be an unfortunate omission in an invoice or declaration, even though the character and quality of the paper imported is easily ascertainable by inspection.

14. It is impossible to forecast the trend of imported paper prices in the present uncertain state of the paper market. We share the hope of most printers, publishers, and importers that the trend will be downward, otherwise the plight of the printing industry in India will be most serious.

17. Every industry using paper for any purpose whatever is at present adversely affected by the protective duties on paper. Those, like the textile industry, which use large quantities for wrapping and labels, and the printing industry itself, are most seriously affected.

18. The protection should be abolished unless counterbalanced by an import duty on all printed matter entering India. In any case the present surcharge should be removed. It is not needed by the paper-making industry, and its removal would enable printers and publishers in India to compete on more equal terms with their foreign competitors.

20. Please see reply to No. 18. We consider the surcharge should be removed as early as possible.

Questionnaire for Newspapers, Printers and Publishers.

1. It is impossible to procure the figures in the time at our disposal, but we estimate that 30 per cent. of our total quantity of paper used during this period was Indian. The percentage has increased in recent years as greater varieties of Indian paper have become available.

2. There has been little real improvement in the quality of Indian paper. There has, however, been an increase in the number of varieties made. It is now available for the cheaper forms of stationery, for cheaper kinds of school books and magazines, posters, and, to a limited extent, covers.

3. The effect of protection has been most harmful to the printing and publishing industries in India. Much printing formerly done here is now done abroad, foreign printers and publishers, notably the Japanese, can greatly undercut the prices, which printers in this country must charge to make ends meet, and the publishing business, save in regard to the cheaper lines, has almost been extinguished. Few printers now earn enough to keep their Presses modern, to pay the wages they would wish to pay to their workmen, and to effect the many improvements necessary to keep Indian printing up to modern standards. Unless these duties are abolished, or protection is afforded, the printer and publisher, by the imposition of a tax on all printed matter entering India, we see no future for good-class printing in India.

4. Yes. The big publishing houses now get their printing done abroad and import the loose sheets for binding in this country. Even this small part of the printing industry is diminishing, because with the improvement of machinery, publishers are finding it cheaper to bind their books abroad. We have ourselves lost many orders because printers abroad can manufacture more cheaply than ourselves whose machinery, inks, paper, and binding material are heavily taxed.

5. We cannot give statistics, but we can say that whereas ten or fifteen years ago several of our machines were kept regularly engaged on printing for the big publishing houses like Macmillans, none of them is now thus occupied. We cannot do the work for the price offered, and we believe that is the experience of other reputable printers in Madras.

6. We can remember no such tests being made in Madras. Our difficulties usually arise from the refusal of the Customs to accept our declarations regarding the quality and class of paper imported in the rare event of an omission in the exporters invoices or declarations. Even when an inspection of the goods can verify our remarks, the Customs authorities insist upon the production of an exporters certificate, which usually involves delay in delivery.

7. All industries that use paper in any shape or form. Those whose wares involve much wrapping or labelling, the textile industries for example, are more adversely affected than others, but all are to some extent. And the publishing and printing industries most of all. The result is a diminution of the amount published and of printing, with consequences to general literacy obvious to the most casual observer.

8. We do not think these protective duties should be continued unless balanced by countervailing duties on all imported printed matter. We say this because while we think that duty-free paper is the ideal, we are aware of the Government's desire to foster the paper-making industry in India.

9. See reply to No. 8.

10. The surcharges should go. The rise in the price of paper, is already making its effect felt in the diminution of orders and unless some relief is given, the printing industry in India will receive a further set-back.

Reply to questionnaire for Newspapers, Printers and Publishers by the Christian Literature Society, Madras School Book and Literature Society and Diocesan Press, Madras.

1. Indian paper roughly 25 per cent. of total.
 2. At the Diocesan Press it is used almost entirely for the printing of school books. The cutting of reams has improved. The quality is lower than that of corresponding grades of imported paper.
 3. The effect of protection has been harmful to the printing and publishing industries in India. As an instance I may quote the case of a school book publisher whose orders prior to 1932 amounted to over Rs. 13,000 a year. Since then we have been asked to print first editions only, and reprint work has been done in England. Orders since 1932 have averaged only Rs. 4,000 a year. Two of our largest customers have been considering whether or not they should do the same thing. Prices have to be cut to the lowest possible figure to keep work in the country, and it is a matter of real difficulty to make sufficient profit to improve plant and machinery and to pay workmen a fair wage.
 4. Every book printed in India is heavily taxed. Typemetal, printing machines, ink, paper and binding materials are all subject to heavy duties (even if Indian paper and Indian made ink are used there is little or no saving on account of inferior grading). The book printed in England has none of these charges to bear, and is imported free of duty. Up to 1932 English publishers used to have much of their printing for the Indian market done in India. That is very rarely the case to-day.
 5. I believe that a great deal of commercial printing for India is done abroad, but I am dealing only with book work, and of that I have given an instance above. It has been said that if unbound printed sheets were taxed it might have the effect of transferring the binding work abroad. I do not think so, as there is a big difference in costs of binding in India and abroad. I think it would have the effect of bringing the bulk of work that has been lost back to India, especially if the existing surcharge were removed.
 6. None.
 7. I would like the Tariff Board to take into account a wider field than that of industry. I am told that if anyone were daring enough to suggest tax on imported books a cry would be raised against a "tax on education". But as I have shown in para. 4 above you are already imposing such a tax, and a tax on those least able to bear it. To-day on a 2 anna vernacular First Reader the tax amounts to not less than 2 pies. Why should the impoverished scholar in a village elementary school be taxed to that extent while the college student can buy his foreign text books at the same or less price than they are sold in England?
- To-day we are faced with an appalling problem, which baffles Government and philanthropic agencies alike in its magnitude. 90 per cent. of the total population is illiterate, two-thirds of the scholars who leave elementary schools relapse again into illiteracy. Literacy figures are not keeping pace with the birth rate.
- I am the Secretary of three Societies (there are many others of course) which are making an effort to deal with this problem. By the provision of Reading Charts on the Laubach method, we are supplying the necessary equipment for thousands of voluntary workers. By the provision of magazines and booklets (none priced over 6 pies) we are trying to make it possible for the village children who leave school to purchase reading matter, and so prevent lapses into illiteracy. No Government grants are given for this work anywhere; on the contrary it is being taxed about one anna in the rupee.

8. For reasons I have given above I do not consider any protective duties on paper are in the public interest and they should be removed as soon as possible.

9. Nil.

10. The surcharge at any rate ought to be removed at once. The rise in the prices of paper will cause a rise in the price of books unless some relief can be given.

During the last six months there have been long delays in the execution of orders from Indian manufacturers.

(13) Wesley Press and Publishing House, Mysore City.

Replies to Questionnaire for Newspapers, Printers and Publishers.

	Tons.
1. (a) Imported 1932-37	85
(b) Indian 1932-37	21
2. Can be used for Magazine work and fabling work.	
3. No information.	
4. No.	
5. None.	
6. None.	
7. No information.	
8. No information.	
9. None.	
10. No information.	

